



John T. Gray
Senior Vice President - Policy & Economics

300671

May 28, 2020

The Honorable Cynthia T. Brown
Chief, Section of Administration
Office of Proceedings
Surface Transportation Board
395 E Street, SW.
Washington, DC 20423-0001

ENTERED
Office of Proceedings
May 28, 2020
Part of
Public Record

Re: Ex Parte No. 682 (Sub-No. 11), Annual Submission of State Tax Information for Use in the Revenue Shortfall Allocation Method (2019)

Dear Ms. Brown:

This submission by the Association of American Railroads (AAR) is the AAR's calculation of the 2019 weighted average state tax rate for each Class I railroad, filed pursuant to 49 C.F.R. § 1135.2, as adopted by the Board in Ex Parte No. 682, *Annual Submission of State Tax Information for Use in the Revenue Shortfall Allocation Method*, served February 26, 2010. The methodology used to calculate each weighted average state tax rate is the same as what was used in the AAR's prior year calculation.

Weighted Average State Tax Rates			
<u>Railroad</u>	<u>2019</u>	<u>2018</u>	Percentage Point <u>Change</u>
BNSF Railway Company	5.234%	5.312%	-0.078%
CSX Transportation, Inc.	5.097%	5.238%	-0.141%
Grand Trunk Corporation	8.129%	8.130%	-0.001%
The Kansas City Southern Rwy	5.711%	5.422%	0.289%
Norfolk Southern Combined	5.697%	5.753%	-0.056%
Soo Line Corporation	8.181%	8.193%	-0.012%
Union Pacific Railroad Company	5.714%	5.726%	-0.012%

Page 2

All calculations are included in the AAR's submission. Workpapers consist of copies of Schedules 702 and 210 from the railroads' Annual Report Form R-1. Railroads have reviewed the calculations. A copy of the workpapers underlying this submission are included in the AAR's filing. Questions should be directed to me or Deena Beshir (202 639-2113) of this office.

Sincerely,

A handwritten signature in black ink, appearing to read "John T. Gray", with a long horizontal flourish extending to the right.

John T. Gray

Attachments

**Before the
Surface Transportation Board**

Ex Parte No. 682

**Annual Submission of Tax Information for Use
in the Revenue Shortfall Allocation Method**

**2019
Weighted Average State Tax Rates**

**Policy and Economics Department
Association of American Railroads**

May 28, 2020

Table of Contents

Subject	Page
Introduction	1
State Mileages Operated for 2019	2
State Corporate Tax Rates Used for 2019	3
Results of Calculations for 2019	4

Appendices

- A State Corporate Income Tax Rates from Tax Foundation
- B List of Adjustments to Tax Foundation Rates
- C List of Tax Rates that Differ from 2018
- D Additional Tax Rate Information from States
- E Summary of Additional Data Used in Calculations from Annual Report Form R-1
- F Tax Rate Calculation for Texas
- G Tax Rate Calculation for New Jersey
- H Railroad Tax Rate Calculations

Introduction

On February 26, 2010, the Surface Transportation Board served a decision in STB Ex Parte No. 682, *Annual Submission of Tax Information for Use in the Revenue Shortfall Allocation Method*, that amends 49 CFR Part 1135 to add a rule that requires the Association of American Railroads (AAR) to annually update each Class I railroad's weighted average state tax rate for use in the Revenue Shortfall Allocation Method (RSAM). The calculation must be submitted by May 30 each year.

The methodology used by the AAR to calculate weighted average state tax rates is the same as was used since the calculation for 2008. Beginning with 2017, a new appendix was added for New Jersey, and the method for calculating its tax rate is similar to that for Texas. The AAR's 2008 weighted average state tax rate calculations were adopted by the Surface Transportation Board in its Ex Parte No. 646 (Sub-No. 2), Simplified Standards for Rail Rate Cases – Taxes in Revenue Shortfall Allocation Method (served January 22, 2010). The AAR's calculation submitted herein is for 2019.

Sources

There are two major sources for these calculations. The first major source is Annual Report Form R-1, which is submitted by each Class I railroad to the Board. The STB instructed the AAR to weigh state tax rates using miles operated in each state for each railroad. As the STB noted, mileage operated in each state can be found in column (g) of Schedule 702 (Miles of Road at Close of Year - By States and Territories) of each R-1. Additional information from the R-1's Schedule 210 (Results of Operations) has been used to calculate tax rates for Texas and New Jersey.

The second major source is a web site table with state corporate income tax information published by the Tax Foundation, a nonpartisan research and education group based in Washington, DC. The Class I railroads provided additional information regarding tax rates, either to confirm the Tax Foundation rates or to document exceptions that apply to railroads operating in specific states. The AAR also retrieves state tax forms to check against the Tax Foundation.

Notes

The following states have lower income tax rates in 2019: Colorado, Florida, Georgia, Indiana, and North Carolina.

The average tax rates for six Class I railroads (BNSF, CSX, CNGT, NS, CP's Soo Line Corporation, and UP) decreased from 2018. CSX had the largest percentage point decrease. CSX operates mileage in Florida, Georgia, Indiana, and North Carolina, four of five states that reduced their tax rates. CNGT and CP's Soo Line Corporation still have higher average tax rates than the other railroads because 38 to 57 percent of their U.S. mileage is in Minnesota, Iowa, and Illinois – states with income tax rates among the highest in the nation. The one railroad with an increase in its average tax rate was KCS. KCS has operations in Texas. For KCS, the Texas effective tax rate calculation increased in 2019 due to a decrease in net income before taxes, and this was the main reason that the average tax rate for this railroad increased.

State Miles Operated for 2019

State	BNSF	CNGT	CSX	KCS	NS	SOO	UP	Total	
Alabama	231	22	1,012	44	1,304	0	0	2,613	AL
Arizona	659	0	0	0	0	0	691	1,350	AZ
Arkansas	1,058	0	0	163	0	0	1,326	2,547	AR
California	2,015	0	0	0	0	0	3,364	5,379	CA
Colorado	1,339	0	0	0	0	0	1,505	2,844	CO
Connecticut	0	0	68	0	0	0	0	68	CT
Delaware	0	0	44	0	82	0	0	126	DE
Dist. of Columbia	0	0	19	0	19	0	0	38	DC
Florida	0	0	1,290	0	148	0	0	1,438	FL
Georgia	0	0	1,576	0	1,706	0	0	3,282	GA
Idaho	142	0	0	0	0	0	848	990	ID
Illinois	1,534	1,278	703	203	1,263	397	2,315	7,693	IL
Indiana	0	103	1,507	0	1,441	154	19	3,224	IN
Iowa	659	574	0	0	43	661	1,434	3,371	IA
Kansas	1,596	0	0	18	2	0	2,199	3,815	KS
Kentucky	98	97	1,639	0	429	0	12	2,275	KY
Louisiana	362	227	43	744	76	0	1,142	2,594	LA
Maine	0	0	0	0	0	0	0	0	ME
Maryland	0	0	546	0	259	0	0	805	MD
Massachusetts	0	0	400	0	0	0	0	400	MA
Michigan	0	871	506	0	487	80	0	1,944	MI
Minnesota	1,713	378	0	0	0	1,670	645	4,406	MN
Mississippi	179	575	94	724	211	0	0	1,783	MS
Missouri	1,606	0	0	416	409	144	1,541	4,116	MO
Montana	2,565	0	0	0	0	0	125	2,690	MT
Nebraska	1,522	0	0	0	0	0	1,066	2,588	NE
Nevada	798	0	0	0	0	0	1,193	1,991	NV
New Hampshire	0	0	0	0	0	0	0	0	NH
New Jersey	0	0	641	0	904	0	0	1,545	NJ
New Mexico	1,640	0	0	0	0	0	618	2,258	NM
New York	0	0	1,275	0	839	413	0	2,527	NY
North Carolina	0	0	1,119	0	1,187	0	0	2,306	NC
North Dakota	1,629	0	0	0	0	530	0	2,159	ND
Ohio	0	4	1,852	0	2,021	30	0	3,907	OH
Oklahoma	1,287	0	0	151	0	0	1,240	2,678	OK
Oregon	426	0	0	0	0	0	1,072	1,498	OR
Pennsylvania	0	156	1,058	0	2,420	0	0	3,634	PA
Rhode Island	0	0	0	0	0	0	0	0	RI
South Carolina	0	0	1,314	0	762	0	0	2,076	SC
South Dakota	899	0	0	0	0	112	0	1,011	SD
Tennessee	137	161	989	5	829	0	17	2,138	TN
Texas	5,300	0	0	929	0	0	6,356	12,585	TX
Utah	437	0	0	0	0	0	1,269	1,706	UT
Vermont	0	0	0	0	0	0	0	0	VT
Virginia	0	0	1,056	0	1,990	0	0	3,046	VA
Washington	1,457	0	0	0	0	0	541	1,998	WA
West Virginia	0	0	1,280	0	618	0	0	1,898	WV
Wisconsin	250	1,408	0	0	0	607	929	3,194	WI
Wyoming	965	0	0	0	0	0	873	1,838	WY
Total U.S.	32,503	5,854	20,031	3,397	19,449	4,798	32,340	118,372	

Canada	116	0	76	0	2	0	0	194
Grand Total	32,619	5,854	20,107	3,397	19,451	4,798	32,340	118,566

Note: There is no Class I railroad mileage in Alaska, Hawaii, Maine, New Hampshire, Rhode Island, or Vermont.
Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

State Tax Rates Used for 2019

State	Inc.Tax Rate	Comments
Alabama	6.500%	
Arizona	4.900%	
Arkansas	6.500%	
California	8.840%	
Colorado	4.500%	***Lower for 2019
Connecticut	0.000%	Sole railroad reports in operating expense, so tax rate changed to 0.
Delaware	8.700%	
Dist. of Columbia	8.250%	
Florida	4.458%	***Lower for 2019
Georgia	5.750%	***Lower for 2019
Idaho	6.925%	
Illinois	9.500%	7.0% + Replacement Tax of 2.5%
Indiana	5.625%	*** Lower for 2019. 5.75% for first half of year, 5.5% for second half.
Iowa	12.000%	
Kansas	7.000%	4% plus 3.0% surtax
Kentucky	5.000%	
Louisiana	8.000%	
Maine	*	No Class I mileage
Maryland	8.250%	
Massachusetts	8.000%	
Michigan	6.000%	
Minnesota	9.800%	
Mississippi	5.000%	
Missouri	6.250%	
Montana	6.750%	7.0% if Water's Edge election (no Class I railroads have elected this)
Nebraska	7.810%	
Nevada	0.000%	None.
New Hampshire	*	No Class I mileage
New Jersey	*	10% of NROI allocated, RR began reporting as income tax 2017
New Mexico	5.900%	
New York	0.000%	Reported in operating expense, rate changed to zero.
North Carolina	2.500%	***Lower for 2019
North Dakota	4.310%	Water's Edge Election add 3.5% pt. (1 RR uses Water's Edge)
Ohio	0.000%	Income tax fully phased out and replaced with a franchise fee.
Oklahoma	6.000%	
Oregon	7.600%	
Pennsylvania	9.990%	
Rhode Island	*	No Class I mileage
South Carolina	5.000%	
South Dakota	0.000%	None.
Tennessee	6.500%	
Texas	*	Calculated using 70% of Operating Revenue taxed at 0.75%
Utah	4.950%	
Vermont	*	No Class I mileage
Virginia	6.000%	
Washington	0.000%	None.
West Virginia	6.500%	
Wisconsin	7.900%	
Wyoming	0.000%	None.

Notes:

There is no Class I railroad mileage in Alaska, Hawaii, or states marked with an "***" (except TX & NJ).

Tax rates are from the web site of the Tax Foundation, Washington, DC, and have been verified with state tax forms.

Adjustments to the Tax Foundation's list of rates have been made by the AAR when necessary. See Appendix B.

***** in comments notes that tax rate is changed from prior year.

Results of Calculations for 2019

Average State Corporate Income Tax Rate

Railroad	2019	2018	Difference
BNSF	5.234 %	5.312 %	-0.078 % Pts.
CSX	5.097	5.238	-0.141
CNGT	8.129	8.130	-0.001
KCS	5.711	5.422	0.289
NS	5.697	5.753	-0.056
SOO	8.181	8.193	-0.012
UP	5.714	5.726	-0.012

State Tax Rates for 2019 from the Tax Foundation

TAX FOUNDATION | 5

State Corporate Income Tax Rates and Brackets for 2019

State	Rates	Brackets	State	Rates	Brackets	State	Rates	Brackets
Ala.	6.5%	> \$0	Iowa (e)	6%	> \$0	N.J. (h)	6.5%	> \$0
Alaska	0.0%	> \$0		8%	> \$25,000		7.5%	> \$50,000
	2.0%	> \$25,000		10%	> \$100,000		9.0%	> \$100,000
	3.0%	> \$49,000		12%	> \$250,000		11.5%	> \$1,000,000
	4.0%	> \$74,000	Kans.	4%	> \$0	N.M.	4.8%	> \$0
	5.0%	> \$99,000		7%	> \$50,000		5.9%	> \$500,000
	6.0%	> \$124,000	Ky.	5%	> \$0	N.Y.	6.5%	> \$0
	7.0%	> \$148,000	La.	4%	> \$0	N.C.	2.5%	> \$0
	8.0%	> \$173,000		5%	> \$25,000	N.D.	1.41%	> \$0
	9.0%	> \$198,000		6%	> \$50,000		3.55%	> \$25,000
	9.4%	> \$222,000		7%	> \$100,000		4.31%	> \$50,000
Ariz.	4.9%	> \$0		8%	> \$200,000	Ohio	(a)	
Ark.	1.0%	> \$0	Maine	3.50%	> \$0	Okla.	6%	> \$0
	2.0%	> \$3,000		7.93%	> \$350,000	Ore.	6.6%	> \$0
	3.0%	> \$6,000		8.33%	> \$1,050,000		7.6%	> \$1,000,000
	5.0%	> \$11,000		8.93%	> \$3,500,000	Pa.	9.99%	> \$0
	6.0%	> \$25,000	Md.	8.25%	> \$0	R.I.	7%	> \$0
	6.5%	> \$100,000	Mass.	8%	> \$0	S.C.	5%	> \$0
Calif.	8.84%	> \$0	Mich.	6%	> \$0	S.D.	None	
Colo.	4.63%	> \$0	Minn.	9.8%	> \$0	Tenn.	6.5%	> \$0
Conn.	7.5%	> \$0	Miss. (f)	3%	> \$1,000	Tex.	(a)	
Del. (a)	8.7%	> \$0		4%	> \$5,000	Utah	4.95%	> \$0
Fla.	5.5%	> \$0		5%	> \$10,000	Vt.	6.0%	> \$0
Ga. (b)	5.75%	> \$0	Mo. (g)	6.25%	> \$0		7.0%	> \$10,000
Hawaii	4.4%	> \$0	Mont.	6.75%	> \$0		8.5%	> \$25,000
	5.4%	> \$25,000	Nebr.	5.58%	> \$0	Va. (a)	6%	> \$0
	6.4%	> \$100,000		7.81%	> \$100,000	Wash.	(a)	
Idaho	6.925%	> \$0	Nev.	(a)		W.Va.	6.5%	> \$0
Ill. (c)	9.5%	> \$0	N.H.	7.7%	> \$0	Wis.	7.9%	> \$0
Ind. (d)	5.75%	> \$0				Wyo.	None	
						D.C.	8.25%	> \$0

(a.) Nevada, Ohio, Texas, and Washington do not have a corporate income tax but do have a gross receipts tax with rates not strictly comparable to corporate income tax rates. Delaware has gross receipts taxes in addition to corporate income taxes, as do several states like Pennsylvania, Virginia, and West Virginia, which permit gross receipts taxes at the local (but not state) level.

(b.) Georgia's corporate income tax rate will revert to 6% on January 1, 2026. The state could see a drop to 5.5% in 2019, pending legislative approval.

(c.) Illinois' rate includes two separate corporate income taxes, one at a 7% rate and one at a 2.5% rate.

(d.) Indiana's rate will change to 5.5% on July 1, 2019. The rate is scheduled to decrease to 4.9% by 2022.

(e.) Iowa's rate is scheduled to drop to 9.8 percent by 2021, subject to revenue availability.

(f.) Mississippi continues to phase out the 3 percent bracket by increasing the exemption by \$1,000 a year. By the start of 2022, the 3 percent bracket will be fully eliminated.

(g.) Scheduled reform in 2020 will subject nearly all companies to a single sales factor appointment, permitting a rate reduction from 6.25% to 4%.

(h.) In New Jersey, the rates indicated apply to a corporation's entire net income rather than just income over the threshold. A temporary surcharge is in effect, bringing the rate to 11.5 percent for businesses with income over \$1 million.

Note: In addition to regular income taxes, many states impose other taxes on corporations such as gross receipts taxes and franchise taxes. Some states also impose an alternative minimum tax and special rates on financial institutions.

Source: Tax Foundation; state tax statutes, forms, and instructions; Bloomberg BNA

List of Adjustments to Tax Foundation Rates

State corporate income tax rates used for the Class I Railroads differ from the Tax Foundation for the following states. Appendix D contains information provided by the states.

	State Tax Rate		Comment
	Tax Foundation	Railroad	
Colorado	4.630%	4.500%	Note 2 - Out of Date
Connecticut	7.500%	none	Note 1 - Franchise Fee
Florida	5.500%	4.458%	Note 2 - Out of Date
Indiana	5.750%	5.625%	Note 3 - Mid-year Change
New Jersey	11.500%	Varies	Note 6 - New Jersey
New York	6.500%	none	Note 1 - Franchise Fee
North Dakota	4.310%	7.810%	Note 4 - Water's Edge Surcharge
Texas	blank	Varies	Note 5 - Texas

Note 1 - Franchise Fees

Some state taxes, for example franchise taxes, are not reported as income taxes by the railroads per requirements of Generally Accepted Accounting Practices (GAAP). Instead, those taxes are treated as franchise fees or similar items, and are reported as operating expenses in Schedule 410, Line 615, of Annual Report Form R-1. In those cases, state income tax rates reported by the Tax Foundation have been changed to zero. The states where this occurs are Connecticut and New York. The same two states were changed to zero for 2008 through 2018.

Note 2 - Out of Date

The Tax Foundation was still reporting the previous year's rate, which is now changed, for CO and FL.

Note 3 - Mid-year Change

The Tax Foundation shows a 5.75 percent Indiana tax rate which is from one year ago. The rate was 5.75 for the first half of the year, and changed to 5.5 for the second half.

Note 4 - Water's Edge Surcharge

For North Dakota, some companies may be required to file their tax return using a worldwide unitary combined report method. Those companies may elect to use the "Water's Edge" method. If this is the case, a 3.5 percent surtax is applied. Soo Line Corporation uses this method, and its North Dakota tax rate has been adjusted to 7.810 percent (4.31 state tax rate + 3.5 surtax).

Note 5 - Texas (see also Appendix F)

For Texas, railroads were taxed using a 0.750 percent tax rate on 70 percent of gross receipts, and the taxes are reported as income taxes. A carrier-specific tax rate for each Class I railroad has been calculated in Appendix F using the same procedure used since 2008. A key assumption in the calculation is that the ratio of Operating Revenue to Net Income Before Taxes is the same in all states where a carrier operates, which eliminates the need to make any revenue or cost allocations because the resulting effective tax rate (using the constant ratio) is the same using all revenue or a portion.

Note 6 - New Jersey (see also Appendix G)

For New Jersey, railroads pay a franchise tax that is 10 percent of the NJ portion of Net Railway Operating Income. Beginning 2017, railroads began recording this in income taxes instead of operating expenses. A carrier-specific tax rate is calculated in Appendix G using the assumption that the ratio of NROI to NIBT is the same for all states (similar to the TX calculation).

List of Tax Rates that Differ from 2018

Listed herein are tax rates, as found on page 3 of this year's report, that differ from the prior year (2018). Refer to Appendix D for tax information from the appropriate state.

	State Tax Rate		Comment
	2019	2018	
Colorado	4.5000%	4.6300%	Lower rate for 2019
Florida	4.4580%	5.5000%	Lower rate for 2019
Georgia	5.7500%	6.0000%	Lower rate for 2019
Indiana	5.6250%	5.8750%	Rate lowered effective July 2019
New Jersey	See note 6 in Appendix B		Varies each year by railroad
North Carolina	2.5000%	3.0000%	Lower rate for 2019
Texas	See note 5 in Appendix B		Varies each year by railroad

Additional Tax Rate Information from States

State	Item	Number of Pages
Colorado	Colorado Form 112 Page 2	1
Florida	Florida Form F-1120 Page 1	1
Georgia	Georgia Form 600 Instructions Page 10	1
Indiana	Indiana IT-20 Income Tax Booklet Page 10	1
New Jersey	Applicable Statute	1
North Carolina	North Carolina Form CD-405 Page 2	1
Texas	2020 Texas Franchise Tax Report Page 3	1



190112 29999

DR 0112 (10/28/19)

COLORADO DEPARTMENT OF REVENUE
 Colorado.gov/Tax

Form 112

Name		Account Number
Subtractions		
8. Exempt federal interest	• 8	00
9. Excludable foreign source income	• 9	00
10. Colorado capital gain subtraction	• 10	00
11. Colorado Marijuana Business Deduction	• 11	00
12. Agricultural asset lease deduction. Enter CADA certificate number and submit a copy of your certificate with your return	• CADA Certificate Number • 12	00
13. Other subtractions, explain below Explain:	• 13	00
14. Sum of lines 8 through 13	14	00
Taxable Income		
15. Modified federal taxable income, subtract line 14 from line 7	15	00
16. Colorado taxable income before net operating loss deduction	• 16	00
17. Colorado net operating loss deduction: (see instructions)		
(a) Colorado net operating losses carried forward from tax years beginning before January 1, 2018	• 17(a)	00
(b) Subtract line 17(a) from line 16, if zero skip to 17(d)	17(b)	00
(c) Colorado net operating losses carried forward from tax years beginning on or after January 1, 2018	• 17(c)	00
(d) Colorado net operating loss deduction, sum of (a) and (c)	17(d)	00
18. Colorado taxable income, subtract line 17(d) from line 16	18	00
19. Tax, 4.5% of the amount on line 18	• 19	00
Credits		
20. Sum of nonrefundable credits from line 27, form DR 0112CR (the sum of lines 20, 21, and 22 cannot exceed tax on line 19. You must submit the DR 0112CR with your return.	• 20	00
21. Non-refundable Enterprise Zone credits used – as calculated, or from the DR 1366 line 87 (the sum of lines 20, 21, and 22 cannot exceed tax on line 19). You must submit the DR 1366 with your return.	• 21	00
22. Strategic capital tax credit from DR 1330 line 5b, the sum of lines 20, 21, and 22 cannot exceed line 19, you must submit the DR 1330 with your return.	• 22	00
23. Net tax, sum of lines 20, 21, and 22. Subtract that sum from line 19.	23	00
24. Recapture of prior year credits	• 24	00
25. Sum of lines 23 and 24	25	00

Florida Corporate Income/Franchise Tax Return

F-1120

R. 01/20

Rule 12C-1.051, F.A.C.

Effective 01/20

Page 1 of 6



Name
Address
City/State/ZIP

Use black ink. Example A - Handwritten Example B - Typed

0 1 2 3 4 5 6 7 8 9 0 1 2 3 4 5 6 7 8 9

For calendar year or tax year
beginning _____,
ending _____
Year end date _____

Check here if any changes have been made to
name or address

DOR use
only

/ /

Federal Employer Identification Number (FEIN)

Computation of Florida Net Income Tax

		US Dollars	Cents
1. Federal taxable income (see instructions). Attach pages 1-5 of federal return	Check here if negative	1.	
2. State income taxes deducted in computing federal taxable income (attach schedule)	Check here if negative	2.	
3. Additions to federal taxable income (from Schedule I)	Check here if negative	3.	
4. Total of Lines 1, 2, and 3.	Check here if negative	4.	
5. Subtractions from federal taxable income (from Schedule II)	Check here if negative	5.	
6. Adjusted federal income (Line 4 minus Line 5)	Check here if negative	6.	
7. Florida portion of adjusted federal income (see instructions)	Check here if negative	7.	
8. Nonbusiness income allocated to Florida (from Schedule R)	Check here if negative	8.	
9. Florida exemption		9.	
10. Florida net income (Line 7 plus Line 8 minus Line 9)		10.	
11. Tax due: 4.458% of Line 10.....		11.	
12. Credits against the tax (from Schedule V)		12.	
13. Total corporate income/franchise tax due (Line 11 minus Line 12).....		13.	

Payment Coupon for Florida Corporate Income Tax Return

Do not detach coupon.

F-1120

R. 01/20

To ensure proper credit to your account, enclose your check with tax return when mailing.

YEAR
ENDING M M D D Y Y

If 6/30 year end, return is due 1st day of the 4th month after the close of the taxable year,
otherwise return is due 1st day of the 5th month after the close of the taxable year.

Enter name and address, if not pre-addressed:

Name
Address
City/St
ZIP

	US DOLLARS	CENTS
Total amount due from Line 17		
Total credit from Line 18		
Total refund from Line 19		
FEIN Enter FEIN if not pre-addressed		

F-1120

CORPORATION ESTIMATED INCOME TAX INSTRUCTIONS

CORPORATIONS THAT MUST FILE ESTIMATED TAX

For 2019 the tax rate is 5.75%

Every domestic or foreign corporation subject to taxation in Georgia shall pay estimated tax for the taxable year if its net income for such taxable year can reasonably be expected to exceed Twenty-Five Thousand Dollars (\$25,000.00).

All corporate income tax must be paid directly to the Georgia Department of Revenue. The estimated tax shall be paid on the specified dates so as to effect payment in full of the estimated tax by the 15th day of the twelfth month of the taxable year.

If the requirements to file estimated tax under Code Section 48-7-117 are first met as shown in the left-hand column of the following table, then the estimated tax shall be due as shown in the remaining columns.

Failure to comply with the provisions of the law may result in a penalty of 5% of the income tax for failure to pay estimated tax and a charge at a rate of 9% per annum for underpayment of estimated tax. Compute the 9% penalty on Form 600 UET and check the "UET Annualization Exception attached" box if an exception applies and attach the 600 UET to the return. Enter penalty from 600 UET on schedule 3 line 9 of Form 600.

The following percentages of estimated tax shall be paid on or before the fifteenth day of the:	4th MONTH OF THE TAXABLE YEAR	6th MONTH OF THE TAXABLE YEAR	9th MONTH OF THE TAXABLE YEAR	12th MONTH OF THE TAXABLE YEAR
Before the first day of the fourth month of the taxable year.	25%	25%	25%	25%
After the last day of the third month and before the first day of the sixth month of the taxable year.		33 1/3%	33 1/3%	33 1/3%
After the last day of the fifth month and before the first day of the ninth month of the taxable year.			50%	50%
After the last day of the eighth month and before the first day of the twelfth month of the taxable year.				100%

NEW ESTIMATED TAX FILERS

If you determine that you are required to file estimated tax, mail your initial payment along with Form 602ES. The estimated tax worksheet is on the Form 602ES. Include your corporate name, address, telephone number, Federal Employer Identification Number, and the taxable year. For more information, contact the Department at 1-877-423-6711.

Form 602ES should be mailed to State of Georgia, Department of Revenue, P.O. Box 105136, Atlanta, Georgia 30348-5136. Check or money order for payment of tax should be made payable to Georgia Department of Revenue. Include your Federal Employer Identification Number on your check or money order.

ELECTRONIC PAYMENT

In accordance with O.C.G.A. § 48-2-32(f)(2), corporate estimate taxpayers with quarterly payments of more than \$10,000 must pay via electronic funds transfer. A penalty of 10% will be added if the payment is not submitted electronically through GTC.

You may pay corporate income and estimated taxes using Georgia Tax Center (GTC). This integrated tax system gives corporate taxpayers the ability to pay the tax via a secure internet connection.

Please visit the GTC website at <https://gtc.dor.ga.gov> for more information. You may also contact the Electronic Services Group at 1-877-423-6711.

General Filing Requirements for Form IT-20

What to Enclose with a State Corporate Return

To complete a state income tax return, enclose copies of pages 1 through 5 of the completed U.S. Corporation Income Tax Return (Form 1120) or the comparable federal return being filed. The federal Schedule M-3 and any confirmation of an extension of time to file the return must also be included.

Adjusted Gross Income Tax

The Indiana AGIT is generally calculated using federal taxable income from federal Form 1120 or a comparable return and making Indiana modifications as required by IC 6-3-1-3.5(b). If there is income from sources both within and outside Indiana, use the apportionment and allocation formula on Form IT-20 Schedule E to determine the AGI that's attributed to Indiana.

The corporate AGI tax rate is as follows:

After June 30, 2018, and before July 1, 2019	5.75%
After June 30, 2019, and before July 1, 2020	5.5%
After June 30, 2020, and before July 1, 2021	5.25%
After June 30, 2021	4.9%

How to Determine the Tax Rate

For taxpayers whose taxable year begins when one rate is in effect and the taxable year ends when a different rate is in effect, compute the tax as provided below. This includes calendar-year taxpayers, fiscal-year taxpayers, short-period taxpayers, and 52-53 week tax year taxpayers. However, if your taxable year begins and ends during a period when the same rate is in effect (for instance, a fiscal year from July 1, 2018 to June 30, 2019), no proration is necessary.

How to Determine the Tax Rate for Calendar-Year, Fiscal-Year, Short-period, and 52-53 Week tax year Taxpayers

Pursuant to IC 6-3-2-1(c), the following steps must be used to determine the tax rate if a taxpayer is subject to different tax rates for a taxable period:

1. Multiply the tax rate in effect on June 30 of the taxable period by the number of days in the taxpayer's taxable period that occurred before July 1 of the taxable year.
2. Multiply the tax rate in effect on July 1 of the taxable period by the number of days in the taxpayer's taxable period that occurred after June 30 of the taxable year.
3. Add the amounts in Step 1 and Step 2, and then divide the sum by the total number of days in the taxpayer's taxable year.
4. Round the rate determined in Step 3 to the nearest 0.01%.

Extensions for Filing Return

The Department accepts the federal extension of time application (Form 7004) or the federal electronic extension. If already approved for a federal extension of time application (Form 7004) or the federal electronic extension, it is not necessary to contact the Department before filing the annual return. Returns postmarked within 30 days after the last date indicated on the federal extension are considered timely filed. If a corporation does not need a federal extension of time but needs one for filing the state return, please submit a letter requesting an extension prior to the annual return's due date.

To request an Indiana extension of time to file, contact:

Indiana Department of Revenue
Corporate Income Tax
Tax Administration
P.O. Box 7206
Indianapolis, IN 46207-7206

An extension of time granted under IC 6-8.1-6-1 waives the late payment penalty for the extension period on the balance of tax due, if at least 90% of the tax due is paid by the original due date and the remaining balance, plus interest, is paid in full by the extended due date. Use the Department's online payment system at <https://intime.dor.in.gov/eServices> and Form IT-6 to make an extension payment for the taxable year. This payment is processed as a fifth estimated payment. (See Income Tax Bulletin #15 at www.in.gov/dor/3650.htm for more details.) Any tax paid after the original due date must include interest.

Interest on the balance of tax due must be included with the return when it is filed. Interest is computed from the original due date until the date of payment. Each October the Department establishes the interest rate for the next calendar year. See Departmental Notice #3 available at www.in.gov/dor/3618.htm for interest rates.

If a valid extension of time or a federal extension to file is approved, please check the box for question V on the front of the return. If applicable, enclose a copy of the federal extension of time with the state return.

Accounting Methods and Taxable Year

Use the same method of accounting for the AGIT that was used for federal income tax purposes. The taxable year for the AGIT must also be the same as the accounting period used for federal income tax purposes. If the standard apportionment provisions do not fairly reflect Indiana income, the Department must be petitioned for permission to use an alternative method. For an overview of corporate taxation, see Income Tax Information Bulletin #12 available at www.in.gov/dor/3650.htm.

New Jersey Statutes Title 54. Taxation 54 § 29A-13

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An annual franchise tax is hereby levied upon all railroads operating within this State, which shall be assessed at the rate of 10% upon the net railway operating income of the preceding year, computed and allocated in the manner hereinafter provided, of each system and of each railroad not part of a system, provided, however, that the minimum franchise tax payable by any taxpayer shall be \$100 as to taxpayers having total railway operating revenues of the preceding year allocated under section 14 ¹ not in excess of \$1 million and \$4,000 as to all other taxpayers.

¹ N.J.S.A. § 54:29A-14.

(B) Computation of Corporate Income Tax	22. State Net Loss <i>(Attach schedule)</i>		22.	_____	.00
	23. Income Before Contributions to N.C. Donees Line 20 minus Lines 21 and 22		23.	_____	.00
	24. Contributions to N.C. Donees <i>(From Schedule I, Line 2e)</i>		24.	_____	.00
	25. Net Taxable Income Line 23 minus Line 24		25.	_____	.00
	26. N.C. Net Income Tax Multiply Line 25 by 2.5%		26.	_____	.00
	27. Payments and Credits <i>When filing an amended return, see instructions.</i>				
	a. Income Tax Extension <i>(From Form CD-419, Line 10)</i>		27a.	_____	.00
	b. 2019 Estimated Tax		27b.	_____	.00
	c. Partnership <i>(If a partnership payment is taken on Line 27c, a copy of Form D-403 NC K-1 MUST be attached.)</i>		27c.	_____	.00
	d. Nonresident Withholding <i>(Include copy of 1099 or W-2)</i>		27d.	_____	.00
e. Tax Credits <i>(From Form CD-425, Part 4, Line 30)</i> <i>If a tax credit is taken on Line 27e, Form CD-425 MUST be attached.</i>		27e.	_____	.00	
28. Add Lines 27a through 27e		28.	_____	.00	
29. Income Tax Due - If Line 28 is less than Line 26, enter difference here and on Line 32, below		29.	\$ _____	.00	
30. Income Tax Overpaid - If Line 28 is more than Line 26, enter difference here and on Line 32, below		30.	_____	.00	

Tax Due or Refund	31. Franchise Tax Due or Overpayment <i>(From Schedule A, Line 8 or 9)</i>		31.	_____	.00	
	32. Income Tax Due or Overpayment <i>(From Schedule B, Line 29 or 30)</i>		32.	_____	.00	
	33. Balance of Tax Due or Overpayment Add (or subtract) Lines 31 and 32		33.	_____	.00	
	34. Underpayment of Estimated Income Tax <i>(Enter letter in exceptions box, if applicable. See instructions.)</i>		34.	_____	.00	
	35. a. Interest	b. Penalties		35c.	_____	.00
	35. a. Interest _____ .00 b. Penalties _____ .00			35c.	_____	.00
	36. Total Due - Add Lines 33, 34, and 35c and enter result here, but not less than zero. If less than zero, enter amount on Line 37. <i>Pay your tax online. See instructions.</i>			36.	_____	.00
	37. Overpayment			37.	_____	.00
	38. Amount of Line 37 applied to 2020 Estimated Income Tax			38.	_____	.00
	39. Amount of Line 37 contributed to N.C. Nongame and Endangered Wildlife Fund			39.	_____	.00
40. Amount of Line 37 contributed to N.C. Education Endowment Fund			40.	_____	.00	
41. Amount to be Refunded Line 37 minus Lines 38, 39, and 40			41.	_____	.00	

I declare and certify that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature and Title of Officer: _____ Date _____ Corporate Phone Number _____
 (Include area code)

☐ Check here if you authorize the North Carolina Department of Revenue to discuss this return and attachments with the paid preparer below.

PAID PREPARER USE ONLY

If prepared by a person other than taxpayer, this certification is based on all information of which the preparer has any knowledge.

Preparer's FEIN, SSN, or PTIN _____ Preparer's Contact Phone Number (Include area code) _____

Signature of Paid Preparer: _____ Date _____

Fill in applicable circle: ☐ FEIN ☐ SSN ☐ PTIN

MAIL TO: N.C. Dept. of Revenue, P.O. Box 25000, Raleigh, N.C. 27640-0500. Returns are due by the 15th day of the 4th month after the end of the income year.

A partnership or trust that qualifies as a passive entity for the period upon which the franchise tax report is based, and is not registered and is not required to be registered with the SOS or Comptroller's office, will not be required to register or file a franchise tax report with the Comptroller's office.

A passive entity not registered with the Comptroller's office that no longer qualifies as a passive entity must file a Nexus Questionnaire (Form AP-114), a Business Questionnaire (Form AP-224) or a Trust Questionnaire (Form AP-231) to register with the Comptroller's office and begin filing franchise tax reports.

New Veteran-Owned Businesses

ENTITIES MUST BE PRE-QUALIFIED

New veteran-owned businesses are not subject to franchise tax for an initial five-year period. To be considered a new veteran-owned business, an entity must meet the following qualifications as verified by the Comptroller's office:

- be an entity formed or organized in Texas on or after Jan. 1, 2016, and before Jan. 1, 2020;
- be 100% owned by a natural person (or persons), each of whom was honorably discharged from a branch of the United States armed services; and
- provide a letter from the Texas Veterans Commission (TVC) verifying the honorable discharge of each owner.

A taxable entity that is verified as a new veteran-owned business must file a No Tax Due Report (Form 05-163) for each reporting period the franchise tax is not imposed on the taxable entity. However, the new veteran-owned business is not required to file a Public or Ownership Information Report.

A new veteran-owned business cannot file as a member of a combined group or as part of a tiered partnership.

The Comptroller's office must be notified if the ownership of the new veteran-owned business changes at any point during the initial five-year period. If during the initial five-year period a new veteran-owned business no longer meets the above criteria, it will become subject to the franchise tax.

For the verification process and additional information please visit the Comptroller's website at www.comptroller.texas.gov/taxes/franchise/veteran-business.php.

If you are a veteran and your entity was formed prior to January 1, 2016, please contact the Texas Veterans Commission for other resources that may be available to you at 800-252-8387 or www.tvc.texas.gov/entrepreneurs/.

Disregarded Entities

An entity's treatment for federal income tax purposes does not determine its responsibility for Texas franchise tax. Therefore, partnerships, LLCs and other entities that are disregarded for federal income tax purposes are considered separate legal entities for franchise tax reporting purposes. The separate entity is responsible for filing its own franchise tax report unless it is a member of a combined group. If the

entity is a member of a combined group, the reporting entity for the group may elect to treat the entity as disregarded and will not unwind its operations from its "parent" entity. In this instance, it will be presumed that both the "parent" entity and the disregarded entity have nexus in Texas for apportionment purposes only. Whether or not the entity is disregarded for franchise tax, it must be listed separately on the affiliate schedule. Additionally, if the disregarded entity is organized in Texas or has nexus in Texas, it will be required to file the appropriate information report (Form 05-102 or 05-167).

Margin

Unless a taxable entity qualifies and chooses to file using the EZ computation or No Tax Due Report, the tax base is the taxable entity's margin and is computed in one of the following ways:

- Total Revenue times 70%
- Total Revenue minus Cost of Goods Sold (COGS)
- Total Revenue minus Compensation
- Total Revenue minus \$1 million.

Note: Not all entities will qualify to use COGS to compute margin. See instructions for Item 11. Cost of goods sold (COGS) on page 16 for more information.

Tax Rates

The franchise tax rates for reports originally due on or after January 1, 2016:

- 0.75% (0.0075) for most entities
- 0.375% (0.00375) for qualifying wholesalers and retailers
- 0.331% (0.00331) for those entities with \$20 million or less in annualized total revenue using the EZ computation.

Qualifying retailers and wholesalers are entities that are primarily engaged in retail or wholesale trade. Retail trade means the activities described in Division G of the 1987 Standard Industrial Classification (SIC) Manual; apparel rental activities classified in Industry 5999 or 7299 of the SIC Manual; activities classified as SIC Industry Group 753 (Automotive Repair Shops); activities involving the rental or leasing of tools, party and event supplies, and furniture under SIC Code 7359; heavy construction equipment rental or leasing activities under SIC Code 7353; and rental-purchase agreement activities regulated by Chapter 92, Business & Commerce Code. Wholesale trade means the activities described in Division F of the 1987 SIC Manual. (The 1987 SIC Manual is available online at www.osha.gov/pls/imis/sicsearch.html.)

An entity is primarily engaged in retail or wholesale trade if:

- 1) the total revenue from its activities in retail or wholesale trade is greater than the total revenue from its activities in trades other than the retail and wholesale trades;
- 2) except for eating and drinking places as described in Major Group 58 of Division G, less than 50% of the total revenue from activities in retail or wholesale trade comes from the sale of products it produces or products produced by an entity that is part of an affiliated group to which the taxable entity also belongs; and
- 3) the taxable entity does not provide retail or wholesale utilities, including telecommunications services, electricity or gas.

Summary of Additional Data Used in Calculations from Annual Report Form R-1 (\$000)

Total Railway Operating Revenues Schedule 210, Line 13, Column (b)

Year	RR	Sched	Line	Column (b)
2019	BNSF	210	13	\$23,132,863
2019	CNGT	210	13	3,484,333
2019	CSX	210	13	11,612,474
2019	KCS	210	13	1,484,821
2019	NS	210	13	11,296,064
2019	SOO	210	13	1,581,634
2019	UP	210	13	21,707,798
Total				\$74,299,987

Income (Loss) from continuing operations (before income taxes) Schedule 210, Line 46, Col. (b)

Year	RR	Sched	Line	Column (b)
2019	BNSF	210	46	\$9,130,372
2019	CNGT	210	46	563,246
2019	CSX	210	46	4,282,793
2019	KCS	210	46	250,505
2019	NS	210	46	3,661,493
2019	SOO	210	46	449,527
2019	UP	210	46	8,613,042
Total				\$26,950,978

Net Railway Operating Income Schedule 210, Line 71, Col. (b)

Year	RR	Sched	Line	Column (b)
2019	BNSF	210	71	\$5,756,579
2019	CNGT	210	71	849,107
2019	CSX	210	71	2,837,857
2019	KCS	210	71	283,118
2019	NS	210	71	2,688,331
2019	SOO	210	71	406,108
2019	UP	210	71	6,326,140
Total				\$19,147,240

BNSF Tax Rate Calculation for Texas for 2019

Corporate Activities Tax

Miles in Texas = 5300 (info only)

Operating Revenue	\$23,132,863	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$9,130,372	from R-1 Schedule 210 Line 46
Taxable Receipts	16,193,004	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	121,448	Tax Rate x Taxable Receipts
Effective Tax Rate	1.330%	State Taxes divided by Net Income Before Tax

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state.
All dollar amounts are in thousands.

CNGT Tax Rate Calculation for Texas for 2019

Corporate Activities Tax

Miles in Texas = 0 (info only)

Operating Revenue	\$3,484,333	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$563,246	from R-1 Schedule 210 Line 46
Taxable Receipts	2,439,033	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	18,293	Tax Rate x Taxable Receipts
Effective Tax Rate	3.248%	State Taxes divided by Net Income Before Tax

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state.
All dollar amounts are in thousands.

CSX Tax Rate Calculation for Texas for 2019

Corporate Activities Tax

Miles in Texas = 0 (info only)

Operating Revenue	\$11,612,474	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$4,282,793	from R-1 Schedule 210 Line 46
Taxable Receipts	8,128,732	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	60,965	Tax Rate x Taxable Receipts
Effective Tax Rate	1.423%	State Taxes divided by Net Income Before Tax

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state.
All dollar amounts are in thousands.

KCS Tax Rate Calculation for Texas for 2019

Corporate Activities Tax

Miles in Texas = 929 (info only)

Operating Revenue	\$1,484,821	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$250,505	from R-1 Schedule 210 Line 46
Taxable Receipts	1,039,375	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	7,795	Tax Rate x Taxable Receipts
Effective Tax Rate	3.112%	State Taxes divided by Net Income Before Tax

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state.

All dollar amounts are in thousands.

NS Tax Rate Calculation for Texas for 2019

Corporate Activities Tax

Miles in Texas = 0 (info only)

Operating Revenue	\$11,296,064	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$3,661,493	from R-1 Schedule 210 Line 46
Taxable Receipts	7,907,245	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	59,304	Tax Rate x Taxable Receipts
Effective Tax Rate	1.620%	State Taxes divided by Net Income Before Tax

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state.

All dollar amounts are in thousands.

SOO Tax Rate Calculation for Texas for 2019

Corporate Activities Tax

Miles in Texas = 0 (info only)

Operating Revenue	\$1,581,634	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$449,527	from R-1 Schedule 210 Line 46
Taxable Receipts	1,107,144	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	8,304	Tax Rate x Taxable Receipts
Effective Tax Rate	1.847%	State Taxes divided by Net Income Before Tax

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state.

All dollar amounts are in thousands.

UP Tax Rate Calculation for Texas for 2019

Corporate Activities Tax

Miles in Texas = 6356 (info only)

Operating Revenue	\$21,707,798	from R-1 Schedule 210 Line 13
Net Inc. Bef. Tax	\$8,613,042	from R-1 Schedule 210 Line 46
Taxable Receipts	15,195,459	70.0% of Operating Revenue
Tax Rate	0.750%	Texas Margins Tax on 70% of Gross Receipts
State Taxes	113,966	Tax Rate x Taxable Receipts
Effective Tax Rate	1.323%	State Taxes divided by Net Income Before Tax

Notes

This calculation assumes that the ratio of NIBT to Operating Revenue will be the same in every state.

All dollar amounts are in thousands.

BNSF Tax Rate Calculation for New Jersey for 2019

Franchise Excise Tax (recorded in state income taxes in R-1)			Miles in NJ = 0 (info only)
Net Railway Op. Inc.	\$5,756,579	from R-1 Schedule 210 Line 71	
Net Inc. Bef. Tax	\$9,130,372	from R-1 Schedule 210 Line 46	
Tax Rate	10.000%	New Jersey tax rate on Net Railway Operating Income	
State Taxes	\$575,658	Tax Rate x NROI	
Effective Tax Rate	6.305%	State Taxes divided by Net Income Before Tax	

Notes

This calculation assumes that the ratio of NIBT to NROI will be the same in every state.
All dollar amounts are in thousands.

CNGT Tax Rate Calculation for New Jersey for 2019

Franchise Excise Tax (recorded in state income taxes in R-1)			Miles in NJ = 0 (info only)
Net Railway Op. Inc.	\$849,107	from R-1 Schedule 210 Line 71	
Net Inc. Bef. Tax	\$563,246	from R-1 Schedule 210 Line 46	
Tax Rate	10.000%	New Jersey tax rate on Net Railway Operating Income	
State Taxes	\$84,911	Tax Rate x NROI	
Effective Tax Rate	15.075%	State Taxes divided by Net Income Before Tax	

Notes

This calculation assumes that the ratio of NIBT to NROI will be the same in every state.
All dollar amounts are in thousands.

CSX Tax Rate Calculation for New Jersey for 2019

Franchise Excise Tax (recorded in state income taxes in R-1)			Miles in NJ = 641 (info only)
Net Railway Op. Inc.	\$2,837,857	from R-1 Schedule 210 Line 71	
Net Inc. Bef. Tax	\$4,282,793	from R-1 Schedule 210 Line 46	
Tax Rate	10.000%	New Jersey tax rate on Net Railway Operating Income	
State Taxes	\$283,786	Tax Rate x NROI	
Effective Tax Rate	6.626%	State Taxes divided by Net Income Before Tax	

Notes

This calculation assumes that the ratio of NIBT to NROI will be the same in every state.
All dollar amounts are in thousands.

KCS Tax Rate Calculation for New Jersey for 2019

Franchise Excise Tax (recorded in state income taxes in R-1)			Miles in NJ = 0 (info only)
Net Railway Op. Inc.	\$283,118	from R-1 Schedule 210 Line 71	
Net Inc. Bef. Tax	\$250,505	from R-1 Schedule 210 Line 46	
Tax Rate	10.000%	New Jersey tax rate on Net Railway Operating Income	
State Taxes	\$28,312	Tax Rate x NROI	
Effective Tax Rate	11.302%	State Taxes divided by Net Income Before Tax	

Notes

This calculation assumes that the ratio of NIBT to NROI will be the same in every state.
All dollar amounts are in thousands.

NS Tax Rate Calculation for New Jersey for 2019

Franchise Excise Tax (recorded in state income taxes in R-1)			Miles in NJ = 904 (info only)
Net Railway Op. Inc.	\$2,688,331	from R-1 Schedule 210 Line 71	
Net Inc. Bef. Tax	\$3,661,493	from R-1 Schedule 210 Line 46	
Tax Rate	10.000%	New Jersey tax rate on Net Railway Operating Income	
State Taxes	\$268,833	Tax Rate x NROI	
Effective Tax Rate	7.342%	State Taxes divided by Net Income Before Tax	

Notes

This calculation assumes that the ratio of NIBT to NROI will be the same in every state.
All dollar amounts are in thousands.

SOO Tax Rate Calculation for New Jersey for 2019

Franchise Excise Tax (recorded in state income taxes in R-1)			Miles in NJ = 0 (info only)
Net Railway Op. Inc.	\$406,108	from R-1 Schedule 210 Line 71	
Net Inc. Bef. Tax	\$449,527	from R-1 Schedule 210 Line 46	
Tax Rate	10.000%	New Jersey tax rate on Net Railway Operating Income	
State Taxes	\$40,611	Tax Rate x NROI	
Effective Tax Rate	9.034%	State Taxes divided by Net Income Before Tax	

Notes

This calculation assumes that the ratio of NIBT to NROI will be the same in every state.
All dollar amounts are in thousands.

UP Tax Rate Calculation for New Jersey for 2019

Franchise Excise Tax (recorded in state income taxes in R-1)			Miles in NJ = 0 (info only)
Net Railway Op. Inc.	\$6,326,140	from R-1 Schedule 210 Line 71	
Net Inc. Bef. Tax	\$8,613,042	from R-1 Schedule 210 Line 46	
Tax Rate	10.000%	New Jersey tax rate on Net Railway Operating Income	
State Taxes	\$632,614	Tax Rate x NROI	
Effective Tax Rate	7.345%	State Taxes divided by Net Income Before Tax	

Notes

This calculation assumes that the ratio of NIBT to NROI will be the same in every state.

All dollar amounts are in thousands.

BNSF Average State Tax Rate for 2019

State	Income			
	Miles BNSF	Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	231	6.500%	0.71070%	0.04620%
Arizona	659	4.900%	2.02751%	0.09935%
Arkansas	1,058	6.500%	3.25508%	0.21158%
California	2,015	8.840%	6.19943%	0.54803%
Colorado	1,339	4.500%	4.11962%	0.18538%
Connecticut	0	0.000%	0.00000%	0.00000%
Delaware	0	8.700%	0.00000%	0.00000%
Dist. of Columbia	0	8.250%	0.00000%	0.00000%
Florida	0	4.458%	0.00000%	0.00000%
Georgia	0	5.750%	0.00000%	0.00000%
Idaho	142	6.925%	0.43688%	0.03025%
Illinois	1,534	9.500%	4.71956%	0.44836%
Indiana	0	5.625%	0.00000%	0.00000%
Iowa	659	12.000%	2.02751%	0.24330%
Kansas	1,596	7.000%	4.91032%	0.34372%
Kentucky	98	5.000%	0.30151%	0.01508%
Louisiana	362	8.000%	1.11374%	0.08910%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	0	8.250%	0.00000%	0.00000%
Massachusetts	0	8.000%	0.00000%	0.00000%
Michigan	0	6.000%	0.00000%	0.00000%
Minnesota	1,713	9.800%	5.27028%	0.51649%
Mississippi	179	5.000%	0.55072%	0.02754%
Missouri	1,606	6.250%	4.94108%	0.30882%
Montana	2,565	6.750%	7.89158%	0.53268%
Nebraska	1,522	7.810%	4.68264%	0.36571%
Nevada	798	0.000%	2.45516%	0.00000%
New Hampshire	0	0.000% *	0.00000%	0.00000%
New Jersey	0	6.305%	0.00000%	0.00000%
New Mexico	1,640	5.900%	5.04569%	0.29770%
New York	0	0.000%	0.00000%	0.00000%
North Carolina	0	2.500%	0.00000%	0.00000%
North Dakota	1,629	4.310%	5.01185%	0.21601%
Ohio	0	0.000%	0.00000%	0.00000%
Oklahoma	1,287	6.000%	3.95963%	0.23758%
Oregon	426	7.600%	1.31065%	0.09961%
Pennsylvania	0	9.990%	0.00000%	0.00000%
Rhode Island	0	0.000% *	0.00000%	0.00000%
South Carolina	0	5.000%	0.00000%	0.00000%
South Dakota	899	0.000%	2.76590%	0.00000%
Tennessee	137	6.500%	0.42150%	0.02740%
Texas	5,300	1.330%	16.30619%	0.21690%
Utah	437	4.950%	1.34449%	0.06655%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	0	6.000%	0.00000%	0.00000%
Washington	1,457	0.000%	4.48266%	0.00000%
West Virginia	0	6.500%	0.00000%	0.00000%
Wisconsin	250	7.900%	0.76916%	0.06076%
Wyoming	965	0.000%	2.96896%	0.00000%
Total U.S.	32,503		100.00000%	5.23409%

There is no Class I railroad mileage in AK, HI, ME, NH, RI, VT, and any state marked with an "***".

Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

Tax rates are from the web site of the Tax Foundation, Washington, DC unless updated by AAR (Appendix B).

Rates for Texas and New Jersey are calculated, and may vary by railroad.

No rounding until final number.

CNGT Average State Tax Rate for 2019
(CN's Grand Trunk Corporation)

State	Income			
	Miles CNGT	Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	22	6.500%	0.37581%	0.02443%
Arizona	0	4.900%	0.00000%	0.00000%
Arkansas	0	6.500%	0.00000%	0.00000%
California	0	8.840%	0.00000%	0.00000%
Colorado	0	4.500%	0.00000%	0.00000%
Connecticut	0	0.000%	0.00000%	0.00000%
Delaware	0	8.700%	0.00000%	0.00000%
Dist. of Columbia	0	8.250%	0.00000%	0.00000%
Florida	0	4.458%	0.00000%	0.00000%
Georgia	0	5.750%	0.00000%	0.00000%
Idaho	0	6.925%	0.00000%	0.00000%
Illinois	1,278	9.500%	21.83123%	2.07397%
Indiana	103	5.625%	1.75948%	0.09897%
Iowa	574	12.000%	9.80526%	1.17663%
Kansas	0	7.000%	0.00000%	0.00000%
Kentucky	97	5.000%	1.65699%	0.08285%
Louisiana	227	8.000%	3.87769%	0.31022%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	0	8.250%	0.00000%	0.00000%
Massachusetts	0	8.000%	0.00000%	0.00000%
Michigan	871	6.000%	14.87872%	0.89272%
Minnesota	378	9.800%	6.45712%	0.63280%
Mississippi	575	5.000%	9.82234%	0.49112%
Missouri	0	6.250%	0.00000%	0.00000%
Montana	0	6.750%	0.00000%	0.00000%
Nebraska	0	7.810%	0.00000%	0.00000%
Nevada	0	0.000%	0.00000%	0.00000%
New Hampshire	0	0.000% *	0.00000%	0.00000%
New Jersey	0	15.075%	0.00000%	0.00000%
New Mexico	0	5.900%	0.00000%	0.00000%
New York	0	0.000%	0.00000%	0.00000%
North Carolina	0	2.500%	0.00000%	0.00000%
North Dakota	0	4.310%	0.00000%	0.00000%
Ohio	4	0.000%	0.06833%	0.00000%
Oklahoma	0	6.000%	0.00000%	0.00000%
Oregon	0	7.600%	0.00000%	0.00000%
Pennsylvania	156	9.990%	2.66484%	0.26622%
Rhode Island	0	0.000% *	0.00000%	0.00000%
South Carolina	0	5.000%	0.00000%	0.00000%
South Dakota	0	0.000%	0.00000%	0.00000%
Tennessee	161	6.500%	2.75026%	0.17877%
Texas	0	3.248%	0.00000%	0.00000%
Utah	0	4.950%	0.00000%	0.00000%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	0	6.000%	0.00000%	0.00000%
Washington	0	0.000%	0.00000%	0.00000%
West Virginia	0	6.500%	0.00000%	0.00000%
Wisconsin	1,408	7.900%	24.05193%	1.90010%
Wyoming	0	0.000%	0.00000%	0.00000%
Total U.S.	5,854		100.00000%	8.12879%

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Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

Tax rates are from the web site of the Tax Foundation, Washington, DC unless updated by AAR (Appendix B).

Rates for Texas and New Jersey are calculated, and may vary by railroad.

No rounding until final number.

CSX Average State Tax Rate for 2019

State	Income			
	Miles CSX	Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	1,012	6.500%	5.05217%	0.32839%
Arizona	0	4.900%	0.00000%	0.00000%
Arkansas	0	6.500%	0.00000%	0.00000%
California	0	8.840%	0.00000%	0.00000%
Colorado	0	4.500%	0.00000%	0.00000%
Connecticut	68	0.000%	0.33947%	0.00000%
Delaware	44	8.700%	0.21966%	0.01911%
Dist. of Columbia	19	8.250%	0.09485%	0.00783%
Florida	1,290	4.458%	6.44002%	0.28710%
Georgia	1,576	5.750%	7.86780%	0.45240%
Idaho	0	6.925%	0.00000%	0.00000%
Illinois	703	9.500%	3.50956%	0.33341%
Indiana	1,507	5.625%	7.52334%	0.42319%
Iowa	0	12.000%	0.00000%	0.00000%
Kansas	0	7.000%	0.00000%	0.00000%
Kentucky	1,639	5.000%	8.18232%	0.40912%
Louisiana	43	8.000%	0.21467%	0.01717%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	546	8.250%	2.72578%	0.22488%
Massachusetts	400	8.000%	1.99690%	0.15975%
Michigan	506	6.000%	2.52608%	0.15157%
Minnesota	0	9.800%	0.00000%	0.00000%
Mississippi	94	5.000%	0.46927%	0.02346%
Missouri	0	6.250%	0.00000%	0.00000%
Montana	0	6.750%	0.00000%	0.00000%
Nebraska	0	7.810%	0.00000%	0.00000%
Nevada	0	0.000%	0.00000%	0.00000%
New Hampshire	0	0.000% *	0.00000%	0.00000%
New Jersey	641	6.626%	3.20004%	0.21204%
New Mexico	0	5.900%	0.00000%	0.00000%
New York	1,275	0.000%	6.36513%	0.00000%
North Carolina	1,119	2.500%	5.58634%	0.13966%
North Dakota	0	4.310%	0.00000%	0.00000%
Ohio	1,852	0.000%	9.24567%	0.00000%
Oklahoma	0	6.000%	0.00000%	0.00000%
Oregon	0	7.600%	0.00000%	0.00000%
Pennsylvania	1,058	9.990%	5.28181%	0.52765%
Rhode Island	0	0.000% *	0.00000%	0.00000%
South Carolina	1,314	5.000%	6.55983%	0.32799%
South Dakota	0	0.000%	0.00000%	0.00000%
Tennessee	989	6.500%	4.93735%	0.32093%
Texas	0	1.423%	0.00000%	0.00000%
Utah	0	4.950%	0.00000%	0.00000%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	1,056	6.000%	5.27183%	0.31631%
Washington	0	0.000%	0.00000%	0.00000%
West Virginia	1,280	6.500%	6.39010%	0.41536%
Wisconsin	0	7.900%	0.00000%	0.00000%
Wyoming	0	0.000%	0.00000%	0.00000%
Total U.S.	20,031		100.00000%	5.09730%

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Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

Tax rates are from the web site of the Tax Foundation, Washington, DC unless updated by AAR (Appendix B).

Rates for Texas and New Jersey are calculated, and may vary by railroad.

No rounding until final number.

KCS Average State Tax Rate for 2019

State	Income			
	Miles KCS	Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	44	6.500%	1.29526%	0.08419%
Arizona	0	4.900%	0.00000%	0.00000%
Arkansas	163	6.500%	4.79835%	0.31189%
California	0	8.840%	0.00000%	0.00000%
Colorado	0	4.500%	0.00000%	0.00000%
Connecticut	0	0.000%	0.00000%	0.00000%
Delaware	0	8.700%	0.00000%	0.00000%
Dist. of Columbia	0	8.250%	0.00000%	0.00000%
Florida	0	4.458%	0.00000%	0.00000%
Georgia	0	5.750%	0.00000%	0.00000%
Idaho	0	6.925%	0.00000%	0.00000%
Illinois	203	9.500%	5.97586%	0.56771%
Indiana	0	5.625%	0.00000%	0.00000%
Iowa	0	12.000%	0.00000%	0.00000%
Kansas	18	7.000%	0.52988%	0.03709%
Kentucky	0	5.000%	0.00000%	0.00000%
Louisiana	744	8.000%	21.90168%	1.75213%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	0	8.250%	0.00000%	0.00000%
Massachusetts	0	8.000%	0.00000%	0.00000%
Michigan	0	6.000%	0.00000%	0.00000%
Minnesota	0	9.800%	0.00000%	0.00000%
Mississippi	724	5.000%	21.31292%	1.06565%
Missouri	416	6.250%	12.24610%	0.76538%
Montana	0	6.750%	0.00000%	0.00000%
Nebraska	0	7.810%	0.00000%	0.00000%
Nevada	0	0.000%	0.00000%	0.00000%
New Hampshire	0	0.000% *	0.00000%	0.00000%
New Jersey	0	11.302%	0.00000%	0.00000%
New Mexico	0	5.900%	0.00000%	0.00000%
New York	0	0.000%	0.00000%	0.00000%
North Carolina	0	2.500%	0.00000%	0.00000%
North Dakota	0	4.310%	0.00000%	0.00000%
Ohio	0	0.000%	0.00000%	0.00000%
Oklahoma	151	6.000%	4.44510%	0.26671%
Oregon	0	7.600%	0.00000%	0.00000%
Pennsylvania	0	9.990%	0.00000%	0.00000%
Rhode Island	0	0.000% *	0.00000%	0.00000%
South Carolina	0	5.000%	0.00000%	0.00000%
South Dakota	0	0.000%	0.00000%	0.00000%
Tennessee	5	6.500%	0.14719%	0.00957%
Texas	929	3.112%	27.34766%	0.85101%
Utah	0	4.950%	0.00000%	0.00000%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	0	6.000%	0.00000%	0.00000%
Washington	0	0.000%	0.00000%	0.00000%
West Virginia	0	6.500%	0.00000%	0.00000%
Wisconsin	0	7.900%	0.00000%	0.00000%
Wyoming	0	0.000%	0.00000%	0.00000%
Total U.S.	3,397		100.00000%	5.71133%

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Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

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Rates for Texas and New Jersey are calculated, and may vary by railroad.

No rounding until final number.

NS Average State Tax Rate for 2019

State	Income			
	Miles NS	Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	1,304	6.500%	6.70471%	0.43581%
Arizona	0	4.900%	0.00000%	0.00000%
Arkansas	0	6.500%	0.00000%	0.00000%
California	0	8.840%	0.00000%	0.00000%
Colorado	0	4.500%	0.00000%	0.00000%
Connecticut	0	0.000%	0.00000%	0.00000%
Delaware	82	8.700%	0.42162%	0.03668%
Dist. of Columbia	19	8.250%	0.09769%	0.00806%
Florida	148	4.458%	0.76096%	0.03392%
Georgia	1,706	5.750%	8.77166%	0.50437%
Idaho	0	6.925%	0.00000%	0.00000%
Illinois	1,263	9.500%	6.49391%	0.61692%
Indiana	1,441	5.625%	7.40912%	0.41676%
Iowa	43	12.000%	0.22109%	0.02653%
Kansas	2	7.000%	0.01028%	0.00072%
Kentucky	429	5.000%	2.20577%	0.11029%
Louisiana	76	8.000%	0.39077%	0.03126%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	259	8.250%	1.33169%	0.10986%
Massachusetts	0	8.000%	0.00000%	0.00000%
Michigan	487	6.000%	2.50398%	0.15024%
Minnesota	0	9.800%	0.00000%	0.00000%
Mississippi	211	5.000%	1.08489%	0.05424%
Missouri	409	6.250%	2.10294%	0.13143%
Montana	0	6.750%	0.00000%	0.00000%
Nebraska	0	7.810%	0.00000%	0.00000%
Nevada	0	0.000%	0.00000%	0.00000%
New Hampshire	0	0.000% *	0.00000%	0.00000%
New Jersey	904	7.342%	4.64805%	0.34127%
New Mexico	0	5.900%	0.00000%	0.00000%
New York	839	0.000%	4.31385%	0.00000%
North Carolina	1,187	2.500%	6.10314%	0.15258%
North Dakota	0	4.310%	0.00000%	0.00000%
Ohio	2,021	0.000%	10.39128%	0.00000%
Oklahoma	0	6.000%	0.00000%	0.00000%
Oregon	0	7.600%	0.00000%	0.00000%
Pennsylvania	2,420	9.990%	12.44280%	1.24304%
Rhode Island	0	0.000% *	0.00000%	0.00000%
South Carolina	762	5.000%	3.91794%	0.19590%
South Dakota	0	0.000%	0.00000%	0.00000%
Tennessee	829	6.500%	4.26243%	0.27706%
Texas	0	1.620%	0.00000%	0.00000%
Utah	0	4.950%	0.00000%	0.00000%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	1,990	6.000%	10.23189%	0.61391%
Washington	0	0.000%	0.00000%	0.00000%
West Virginia	618	6.500%	3.17754%	0.20654%
Wisconsin	0	7.900%	0.00000%	0.00000%
Wyoming	0	0.000%	0.00000%	0.00000%
Total U.S.	19,449		100.00000%	5.69740%

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Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

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Rates for Texas and New Jersey are calculated, and may vary by railroad.

No rounding until final number.

SOO Average State Tax Rate for 2019

(Canadian Pacific's Soo Line Corporation)

State	Miles SOO	Income		
		Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	0	6.500%	0.00000%	0.00000%
Arizona	0	4.900%	0.00000%	0.00000%
Arkansas	0	6.500%	0.00000%	0.00000%
California	0	8.840%	0.00000%	0.00000%
Colorado	0	4.500%	0.00000%	0.00000%
Connecticut	0	0.000%	0.00000%	0.00000%
Delaware	0	8.700%	0.00000%	0.00000%
Dist. of Columbia	0	8.250%	0.00000%	0.00000%
Florida	0	4.458%	0.00000%	0.00000%
Georgia	0	5.750%	0.00000%	0.00000%
Idaho	0	6.925%	0.00000%	0.00000%
Illinois	397	9.500%	8.27428%	0.78606%
Indiana	154	5.625%	3.20967%	0.18054%
Iowa	661	12.000%	13.77657%	1.65319%
Kansas	0	7.000%	0.00000%	0.00000%
Kentucky	0	5.000%	0.00000%	0.00000%
Louisiana	0	8.000%	0.00000%	0.00000%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	0	8.250%	0.00000%	0.00000%
Massachusetts	0	8.000%	0.00000%	0.00000%
Michigan	80	6.000%	1.66736%	0.10004%
Minnesota	1,670	9.800%	34.80617%	3.41100%
Mississippi	0	5.000%	0.00000%	0.00000%
Missouri	144	6.250%	3.00125%	0.18758%
Montana	0	6.750%	0.00000%	0.00000%
Nebraska	0	7.810%	0.00000%	0.00000%
Nevada	0	0.000%	0.00000%	0.00000%
New Hampshire	0	0.000% *	0.00000%	0.00000%
New Jersey	0	9.034%	0.00000%	0.00000%
New Mexico	0	5.900%	0.00000%	0.00000%
New York	413	0.000%	8.60775%	0.00000%
North Carolina	0	2.500%	0.00000%	0.00000%
North Dakota	530	7.810% +	11.04627%	0.86271%
Ohio	30	0.000%	0.62526%	0.00000%
Oklahoma	0	6.000%	0.00000%	0.00000%
Oregon	0	7.600%	0.00000%	0.00000%
Pennsylvania	0	9.990%	0.00000%	0.00000%
Rhode Island	0	0.000% *	0.00000%	0.00000%
South Carolina	0	5.000%	0.00000%	0.00000%
South Dakota	112	0.000%	2.33431%	0.00000%
Tennessee	0	6.500%	0.00000%	0.00000%
Texas	0	1.847%	0.00000%	0.00000%
Utah	0	4.950%	0.00000%	0.00000%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	0	6.000%	0.00000%	0.00000%
Washington	0	0.000%	0.00000%	0.00000%
West Virginia	0	6.500%	0.00000%	0.00000%
Wisconsin	607	7.900%	12.65110%	0.99944%
Wyoming	0	0.000%	0.00000%	0.00000%
Total U.S.	4,798		100.00000%	8.18056%

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Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

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Rates for Texas and New Jersey are calculated, and may vary by railroad.

No rounding until final number.

"+" Water's Edge Surcharge Tax rate applied in North Dakota

UP Average State Tax Rate for 2019

State	Miles UP	Income		
		Tax Rate	Pct Miles	Pct Miles x Tax Rate
Alabama	0	6.500%	0.00000%	0.00000%
Arizona	691	4.900%	2.13667%	0.10470%
Arkansas	1,326	6.500%	4.10019%	0.26651%
California	3,364	8.840%	10.40198%	0.91953%
Colorado	1,505	4.500%	4.65368%	0.20942%
Connecticut	0	0.000%	0.00000%	0.00000%
Delaware	0	8.700%	0.00000%	0.00000%
Dist. of Columbia	0	8.250%	0.00000%	0.00000%
Florida	0	4.458%	0.00000%	0.00000%
Georgia	0	5.750%	0.00000%	0.00000%
Idaho	848	6.925%	2.62214%	0.18158%
Illinois	2,315	9.500%	7.15832%	0.68004%
Indiana	19	5.625%	0.05875%	0.00330%
Iowa	1,434	12.000%	4.43414%	0.53210%
Kansas	2,199	7.000%	6.79963%	0.47597%
Kentucky	12	5.000%	0.03711%	0.00186%
Louisiana	1,142	8.000%	3.53123%	0.28250%
Maine	0	0.000% *	0.00000%	0.00000%
Maryland	0	8.250%	0.00000%	0.00000%
Massachusetts	0	8.000%	0.00000%	0.00000%
Michigan	0	6.000%	0.00000%	0.00000%
Minnesota	645	9.800%	1.99443%	0.19545%
Mississippi	0	5.000%	0.00000%	0.00000%
Missouri	1,541	6.250%	4.76500%	0.29781%
Montana	125	6.750%	0.38652%	0.02609%
Nebraska	1,066	7.810%	3.29623%	0.25744%
Nevada	1,193	0.000%	3.68893%	0.00000%
New Hampshire	0	0.000% *	0.00000%	0.00000%
New Jersey	0	7.345%	0.00000%	0.00000%
New Mexico	618	5.900%	1.91095%	0.11275%
New York	0	0.000%	0.00000%	0.00000%
North Carolina	0	2.500%	0.00000%	0.00000%
North Dakota	0	4.310%	0.00000%	0.00000%
Ohio	0	0.000%	0.00000%	0.00000%
Oklahoma	1,240	6.000%	3.83426%	0.23006%
Oregon	1,072	7.600%	3.31478%	0.25192%
Pennsylvania	0	9.990%	0.00000%	0.00000%
Rhode Island	0	0.000% *	0.00000%	0.00000%
South Carolina	0	5.000%	0.00000%	0.00000%
South Dakota	0	0.000%	0.00000%	0.00000%
Tennessee	17	6.500%	0.05257%	0.00342%
Texas	6,356	1.323%	19.65368%	0.26005%
Utah	1,269	4.950%	3.92393%	0.19423%
Vermont	0	0.000% *	0.00000%	0.00000%
Virginia	0	6.000%	0.00000%	0.00000%
Washington	541	0.000%	1.67285%	0.00000%
West Virginia	0	6.500%	0.00000%	0.00000%
Wisconsin	929	7.900%	2.87260%	0.22694%
Wyoming	873	0.000%	2.69944%	0.00000%
Total U.S.	32,340		100.00000%	5.71367%

There is no Class I railroad mileage in AK, HI, ME, NH, RI, VT, and any state marked with an "***".

Mileages are from Annual Report Form R-1, Schedule 702, Column (g).

Tax rates are from the web site of the Tax Foundation, Washington, DC unless updated by AAR (Appendix B).

Rates for Texas and New Jersey are calculated, and may vary by railroad.

No rounding until final number.

Workpapers Sent to Surface Transportation Board for 2019 State Tax Rate Calculations

May 28, 2020

1. Schedule 702 from 2019 Annual Report Form R-1 (7 pages)
2. Schedule 210 from 2019 Annual Report Form R-1 (14 pages)

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)											
Give particulars, as of the close of the year, of all road operated and of all road owned but not operated. The respondent's proportion of operated road held by it as a joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d), or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned but not operated should be shown in column (h), as appropriate. Mileage which has been permanently abandoned should not be included in column (h). Mileage should be reported to the nearest WHOLE mile adjusted in accord with footings; i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.											
Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	
1		Alabama	105	-	-	-	126	231	16		1
2		Arizona	592	-	-	-	67	659	-		2
3		Arkansas	190	-	-	-	868	1,058	-		3
4		British Columbia	22	-	-	-	25	47	16		4
5		California	913	-	-	-	1,102	2,015	-		5
6		Colorado	802	-	14	-	523	1,339	-		6
7		Idaho	142	-	-	-	-	142	-		7
8		Illinois	1,151	-	-	2	381	1,534	-		8
9		Iowa	594	-	26	4	35	659	-		9
10		Kansas	1,138	-	-	-	458	1,596	-		10
11		Kentucky	-	-	-	13	85	98	-		11
12		Louisiana	240	-	-	-	122	362	-		12
13		Manitoba	-	4	-	-	65	69	-		13
14		Minnesota	1,490	-	-	-	223	1,713	91		14
15		Mississippi	166	-	-	-	13	179	-		15
16		Missouri	1,424	-	-	-	182	1,606	37		16
17		Montana	2,529	-	-	-	36	2,565	141		17
18		Nebraska	1,477	-	-	-	45	1,522	-		18
19		Nevada	-	-	-	-	798	798	-		19
20		New Mexico	1,125	-	-	-	515	1,640	60		20
21		North Dakota	1,552	-	-	-	77	1,629	274		21
22		Oklahoma	957	-	-	-	330	1,287	-		22
23		Oregon	226	-	-	-	200	426	111		23
24		Saskatchewan	-	-	-	-	-	-	-		24
25		South Dakota	864	-	-	2	33	899	-		25
26		Tennessee	16	-	-	-	121	137	-		26
27		Texas	2,604	-	-	10	2,686	5,300	-		27
28		Utah	-	-	-	-	437	437	-		28
29		Washington	1,335	-	-	-	122	1,457	86		29
30		Wisconsin	245	-	-	-	5	250	-		30
31		Wyoming	960	-	-	-	5	965	-		31
32		Total Mileage (Single Track)	22,859	4	40	31	9,685	32,619	832		32

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's proportion of operated road held by it as joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d), or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned but not operated should be shown in column (h), as appropriate. Mileage which has been permanently abandoned should not be included in column (h). Mileage should be reported to the nearest WHOLE mile adjusted in accord with footings; i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or territory	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned	Line of proprietary companies	Line operated under lease	Line operated under contract, etc.	Line operated under trackage rights	Total mileage operated	Line owned not operated by respondent	New line constructed during year	
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
1											1
2		ALABAMA	22	-	-	-	-	22			2
3											3
4		ILLINOIS	1,231	-	-	-	47	1,278			4
5											5
6		INDIANA	103	-	-	-	-	103			6
7											7
8		IOWA	574	-	-	-	-	574			8
9											9
10		KENTUCKY	84	13	-	-	-	97			10
11											11
12		LOUISIANA	227	-	-	-	-	227			12
13											13
14		MICHIGAN	867	1	3	-	-	871			14
15											15
16		MINNESOTA	378	-	-	-	-	378			16
17											17
18		MISSISSIPPI	575	-	-	-	-	575			18
19											19
20		OHIO	4	-	-	-	-	4			20
21											21
22		PENNSYLVANIA	156	-	-	-	-	156			22
23											23
24		TENNESSEE	161	-	-	-	-	161			24
25											25
26		WISCONSIN	1,362	-	-	-	46	1,408			26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	5,744	14	3	-	93	5,854			32

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's proportion of operated road held by it as joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d) or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned but not operated should be shown in column (h), as appropriate. Mileage which has been permanently abandoned should not be included in column (h).

Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or Territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line Owned (b)	Line of Proprietary Companies (c)	Line Operated Under Lease (d)	Line Operated Under Contract, etc. (e)	Line Operated Under Trackage Rights (f)	Total Mileage Operated (g)	Line Owned, Not Operated By Respondent (h)	New Line Constructed During Year (i)	
1		Illinois	155	0	0	0	242	397	0	0	1
2		Indiana	0	0	0	0	154	154	0	0	2
3		Iowa	650	0	0	0	11	661	0	0	3
4		Michigan	0	0	0	0	80	80	0	0	4
5		Minnesota	1,125	0	0	0	545	1,670	100	0	5
6		Missouri	139	0	0	0	5	144	0	0	6
7		Montana	0	0	0	0	0	0	57	0	7
8		New York	213	0	0	0	200	413	0	0	8
9		North Dakota	501	0	0	0	29	530	576	0	10
10		Ohio	0	0	0	0	30	30	0	0	11
11		South Dakota	6	0	0	0	106	112	0	0	12
12		Wisconsin	301	0	0	0	306	607	0	0	13
13											14
14											15
15											16
16											18
17											19
18											20
19											21
20											22
21											23
22											24
23											25
24											26
25											27
26											28
27											29
28											30
29											31
30		Total Mileage (single track)	3,090	0	0	0	1,708	4,798	733	0	32

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all road owned but not operated. The respondent's proportion of operated road held by it as a joint or common owner, or under a joint lease, or under any joint arrangement, should be shown in columns (b), (c), (d), or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned but not operated should be shown in column (h), as appropriate. Mileage which has been permanently abandoned should not be included in column (h).

Mileage should be reported to the nearest WHOLE mile adjusted in accord with footings; i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned (b)	Line of proprietary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	
1		Alabama	901				111	1,012	116	-	1
2		Canada - Ontario	2	18			4	24	7	-	2
3		Canada - Quebec	2	14	30		6	52	12	-	3
4		Connecticut	6				62	68		-	4
5		Delaware	23				21	44		-	5
6		District Of Columbia	16			1	2	19	7	-	6
7		Florida	1,084			64	142	1,290	42	-	7
8		Georgia	1,382		118	1	75	1,576	93	-	8
9		Illinois	419	-	59		225	703	123	-	9
10		Indiana	1,132	-	13		362	1,507	434	-	10
11		Kentucky	1,518	63	-	-	58	1,639	30	-	11
12		Louisiana	35				8	43		-	12
13		Maryland	442	13	5		86	546	7	-	13
14		Massachusetts	166		65	8	161	400		-	14
15		Michigan	363				143	506	135	-	15
16		Mississippi	74				20	94		-	16
17		Missouri					-	-	11	-	17
18		New Jersey	62				579	641	5	-	18
19		New York	732		186		357	1,275	11	-	19
20		North Carolina	1,060			7	52	1,119	2	-	20
21		Ohio	1,242		140	8	462	1,852	173	-	21
22		Pennsylvania	416	44	23	7	568	1,058	56	-	22
23		South Carolina	1,250		47		17	1,314	7	-	23
24		Tennessee	826		15	2	146	989	42	-	24
25		Virginia	760	30	7	3	256	1,056	19	-	25
26		West Virginia	1,019	20	15		226	1,280	126	-	26
27											27
28											28
29											29
30											30
31											31
32		Total Mileage (Single Track)	14,932	202	723	101	4,149	20,107	1,458	-	32

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

Give particulars, as of the close of the year, of all road operated and of all owned but not operated. The respondent's proportion of operated road held by it as joint or common owner, or under a joint lease or under any joint arrangement, should be shown in columns (b), (c), (d) or (e), as may be appropriate. The remainder of jointly operated mileage should be shown in column (f). Respondent's proportion of road jointly owned, not operated, should be shown in column (h), as may be appropriate. Mileage which has been permanently abandoned should not be included in column (h).
Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings; i.e. counting one-half mile and over as a whole mile and disregarding and fraction less than one-half mile.

Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned (b)	Line of propri- etary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)	
1		Missouri	396	-	-	-	20	416	3	-	1
2											2
3		Kansas	18	-	-	-	-	18	-	-	3
4											4
5		Arkansas	158	-	-	-	5	163	59	-	5
6											6
7		Oklahoma	150	-	-	-	1	151	6	-	7
8											8
9		Louisiana	677	-	2	-	65	744	173	-	9
10											10
11		Texas	580	-	-	-	349	929	-	-	11
12											12
13		Tennessee	5	-	-	-	-	5	-	-	13
14											14
15		Mississippi	587	-	1	-	136	724	52	-	15
16											16
17		Alabama	-	-	-	-	44	44	79	-	17
18											18
19		Illinois	182	-	-	-	21	203	-	-	19
20											20
21											21
22											22
23											23
24											24
25											25
26											26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	2,753	-	3	-	641	3,397	372	-	32

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

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Line No.	Cross Check	State or territory (a)	MILES OF ROAD OPERATED BY RESPONDENT								Line No.
			Line owned (b)	Line of propri- etary companies (c)	Line operated under lease (d)	Line operated under contract etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned not operated by respondent (h)	New line constructed during year (i)	
1		Alabama	1,212				92	1,304	89		1
2		Canada					2	2			2
3		Delaware	36				46	82	93		3
4		District of Columbia					19	19			4
5		Florida	95				53	148			5
6		Georgia	1,697				9	1,706	381		6
7		Illinois	849				414	1,263	63		7
8		Indiana	1,174		2		265	1,441	36		8
9		Iowa	5			1	37	43	41		9
10		Kansas					2	2			10
11		Kentucky	154		212		63	429			11
12		Louisiana	72				4	76			12
13		Maryland	59				200	259	37		13
14		Michigan	115				372	487	157		14
15		Mississippi	209				2	211			15
16		Missouri	344				65	409			16
17		New Jersey	97				807	904	29		17
18		New York	545				294	839	227		18
19		North Carolina	823				364	1,187	418		19
20		Ohio	1,622		10		389	2,021	252		20
21		Pennsylvania	1,773			5	642	2,420	193		21
22		South Carolina	658				104	762	37		22
23		Tennessee	647		136		46	829	144		23
24		Virginia	1,883				107	1,990	155		24
25		West Virginia	586				32	618	233		25
26											26
27											27
28											28
29											29
30											30
31											31
32		TOTAL MILEAGE (single track)	14,655		360	6	4,430	19,451	2,585		32

702. MILES OF ROAD AT CLOSE OF YEAR - BY STATES AND TERRITORIES (SINGLE TRACK)

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Mileage should be reported to the nearest WHOLE mile adjusted to accord with footings, i.e., counting one-half mile and over as a whole mile and disregarding any fraction less than one-half mile.

Line No.	Cross Check	State or Territory (a)	Line owned (b)	Line of propri- etary companies (c)	Line operated under lease (d)	Line operated under contract, etc. (e)	Line operated under trackage rights (f)	Total mileage operated (g)	Line owned, not operated by respondent (h)	New line constructed during year (i)	Line No.
1		Arizona	691	-	-	-	-	691	-	-	1
2		Arkansas	1,316	-	5	-	5	1,326	149	-	2
3		California	2,813	-	-	-	551	3,364	663	-	3
4		Colorado	1,153	-	-	-	352	1,505	171	-	4
5		Idaho	844	-	-	-	4	848	43	-	5
6		Illinois	1,540	19	4	-	752	2,315	-	-	6
7		Indiana	-	-	-	-	19	19	-	-	7
8		Iowa	1,281	-	-	-	153	1,434	6	-	8
9		Kansas	1,564	-	-	-	635	2,199	313	-	9
10		Kentucky	-	-	-	-	12	12	-	-	10
11		Louisiana	1,086	-	-	-	56	1,142	29	-	11
12		Minnesota	418	-	-	-	227	645	16	-	12
13		Missouri	973	-	-	-	568	1,541	360	-	13
14		Montana	125	-	-	-	-	125	52	-	14
15		Nebraska	972	-	-	-	94	1,066	254	-	15
16		Nevada	1,193	-	-	-	-	1,193	-	-	16
17		New Mexico	535	-	-	-	83	618	-	-	17
18		Oklahoma	513	-	307	-	420	1,240	73	-	18
19		Oregon	867	-	-	-	205	1,072	396	-	19
20		Tennessee	9	-	-	-	8	17	-	-	20
21		Texas	5,193	-	-	-	1,163	6,356	288	-	21
22		Utah	1,249	-	-	-	20	1,269	60	-	22
23		Washington	272	-	-	-	269	541	85	-	23
24		Wisconsin	595	-	-	-	334	929	107	-	24
25		Wyoming	873	-	-	-	-	873	-	-	25
26											26
27											27
28											28
29											29
30											30
31		TOTAL MILEAGE	26,075	19	316	-	5,930	32,340	3,065	-	31
32		(single track)									32

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose requested information for respondent pertaining to results of operations for the year.

Cross-Checks

Schedule 210

Schedule 210

Line 15, col b

= Line 66, col b

2. Report total operating expenses from Sched. 410. Any differences between this schedule and Sched. 410 must be explained on page 18.

Lines 47,48,49 col b

= Line 67, col b

Line 50, col b

= Line 68, col b

3. List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25.

Line 14, col b

Schedule 410

Line 14, col d

= Line 620, col h

Line 14, col e

= Line 620, col f

= Line 620, col g

4. All contra entries should be shown in parenthesis.

Line No.	Cross Check	Item	Amount for current year	Amount for preceding year	Freight-related revenue & expenses	Passenger-related revenue & expenses	Line No.
		(a)	(b)	(c)	(d)	(e)	
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	22,715,809	22,991,417	22,715,809		1
2		(102) Passenger					2
3		(103) Passenger-related					3
4		(104) Switching	44,281	41,569	44,281		4
5		(105) Water transfers					5
6		(106) Demurrage	221,190	204,213	221,190		6
7		(110) Incidental	140,154	165,985	140,154		7
8		(121) Joint facility - credit	11,429	9,963	11,429		8
9		(122) Joint facility - debit					9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	23,132,863	23,413,147	23,132,863		10
11		(502) Railway operating revenues - transfers from government authorities					11
12		(503) Railway operating revenues - amortization of deferred transfers from government authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	23,132,863	23,413,147	23,132,863		13
14	*	(531) Railway operating expenses	15,145,542	15,680,379	15,145,542		14
15	*	Net revenue from railway operations	7,987,321	7,732,768	7,987,321		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations					16
17		(510) Miscellaneous rent income					17
18		(512) Separately operated properties - profit					18
19		(513) Dividend income (cost method)	400	400			19
20		(514) Interest income	903,410	654,154			20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	247,597	87,592			24
25		Income from affiliated companies: 519					
26		a. Dividends (equity method)	9,700	9,750			25
27		b. Equity in undistributed earnings (losses)	40,141	44,722			26
28		TOTAL OTHER INCOME (lines 16-26)	1,201,248	796,618			27
29		TOTAL INCOME (lines 15, 27)	9,188,569	8,529,386			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations					29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	1,021	15,334			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS	1,021	15,334			36
37		Income available for fixed charges	9,187,548	8,514,052			37

210. RESULTS OF OPERATIONS - Continued
(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	51,468	42,178	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	3,652	6,333	40
41		(548) Amortization of discount on funded debt	2,056	2,056	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	57,176	50,567	42
43		Income after fixed charges (line 37 minus line 42)	9,130,372	8,463,485	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before inc. taxes)	9,130,372	8,463,485	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	1,366,964	1,361,110	47
48	*	(b) State income taxes	299,626	289,100	48
49	*	(c) Other income taxes	43	149	49
50	*	(557) Provision for deferred taxes	551,261	370,792	50
51		TOTAL PROVISION FOR INCOME TAXES (lines 47 through 52)	2,217,894	2,021,151	51
52		Income from continuing operations (line 46 minus line 51)	6,912,478	6,442,334	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 52 through 54)	6,912,478	6,442,334	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes - Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$)			60
61	*	Net income (Loss) (lines 55 + 59 + 60)	6,912,478	6,442,334	61
62		Less: Net Income attributable to noncontrolling interest			62
63		Net Income attributable to reporting railroad	6,912,478	6,442,334	63
64		Basic Earnings per Share	N/A	N/A	64
65		Diluted Earnings per Share	N/A	N/A	65
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
66	*	Net revenues from railway operations	7,987,321	7,732,768	66
67	*	(556) Income taxes on ordinary income (-)	1,666,633	1,650,359	67
68	*	(557) Provision for deferred income taxes (-)	551,261	370,792	68
69		Income from lease of road and equipment (-)	12,848	12,848	69
70		Rent for leased roads and equipment (+)			70
71		Net railway operating income (loss)	5,756,579	5,698,769	71

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose requested information for respondent pertaining to results of operations for the year.

Cross - Checks

Schedule 210

Line 15, col b

Lines 47, 48, 49 col b

Line 50, col b

Schedule 210

= Line 66, col b

= Line 67, col b

= Line 68, col b

2. Report total operating expenses from Sched 410. Any differences between this schedule and Sched. 410 must be explained on page 18.

3. List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25.

Line 14, col b

Line 14, col d

Line 14, col e

Schedule 410

= Line 620, col h

= Line 620, col f

= Line 620, col g

4. All contra entries should be shown in parenthesis.

Line No.	Cross Check	Account	Item	Amount for current year	Amount for preceding year	Freight-related revenue & expenses	Passenger-related revenue & expenses	Line No.
			(a)	(b)	(c)	(d)	(e)	
			ORDINARY ITEMS					
			OPERATING INCOME					
			Railway Operating Income					
1		(101)	Freight	3,139,461	3,168,056	3,139,461	-	1
2		(102)	Passenger	-	-	-	-	2
3		(103)	Passenger - related	-	-	-	-	3
4		(104)	Switching	59,950	54,172	59,950	-	4
5		(105)	Water transfers	157,187	197,714	157,187	-	5
6		(106)	Demurrage	56,646	33,569	56,646	-	6
7		(110)	Incidental	58,225	67,271	58,225	-	7
8		(121)	Joint facility - credit	-	-	-	-	8
9		(122)	Joint facility - debit	-	-	-	-	9
10		(501)	Railway operating revenues (Exclusive of transfers from government authorities - lines 1 - 9)	3,471,469	3,520,782	3,471,469	-	10
11		(502)	Railway operating revenues - transfers from government authorities	5,658	5,486	5,658	-	11
12		(503)	Railway operating revenues - amortization of deferred transfers from government authorities	7,206	6,457	7,206	-	12
13			TOTAL RAILWAY OPERATING REVENUES (Lines 10 - 12)	3,484,333	3,532,725	3,484,333	-	13
14	*	(531)	Railway operating expenses	2,503,484	2,582,138	2,503,484	-	14
15	*		Net revenue from railway operations	980,849	950,587	980,849	-	15
			OTHER INCOME					
16		(506)	Revenue from property used in other than carrier operations	-	-			16
17		(510)	Miscellaneous rent income	8,062	7,572			17
18		(512)	Separately operated properties - profit	-	-			18
19		(513)	Dividend income (cost method)	-	-			19
20		(514)	Interest income	1,344	1,479			20
21		(516)	Income from sinking and other funds	-	-			21
22		(517)	Release of premiums on funded debt	-	-			22
23		(518)	Reimbursements received under contracts and agreements	-	-			23
24		(519)	Miscellaneous income	373	16,826			24
25			Income from affiliated companies: 519					
			a) Dividends (equity method)	-	-			25
26			b) Equity in undistributed earnings (losses)	5,071	3,373			26
27			TOTAL OTHER INCOME (Lines 16 - 26)	14,850	29,250			27
28			TOTAL INCOME (Lines 15, 27)	995,699	979,837			28
			MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534)	Expense of property used in other than carrier operations	1,255	1,200			29
30		(544)	Miscellaneous taxes	-	-			30
31		(545)	Separately operated properties - Loss	-	-			31
32		(549)	Maintenance of investment organizations	-	-			32
33		(550)	Income transferred under contracts and agreements	-	-			33
34		(551)	Miscellaneous income charges	26,134	5,311			34
35		(553)	Uncollectible accounts	-	-			35
36			TOTAL MISCELLANEOUS DEDUCTIONS	27,389	6,511			36
37			Income available for fixed charges	968,310	973,326			37

210. RESULTS OF OPERATIONS - Continued						
(Dollars in Thousands)						
Line No.	Cross Check	Account	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES						
38		(546)	Interest on funded debt:			
			(a) Fixed interest not in default	404,152	402,319	38
39			(b) Interest in default	-	-	39
40		(547)	Interest on unfunded debt	907	9	40
41		(548)	Amortization of discount on funded debt	5	5	41
42			TOTAL FIXED CHARGES (lines 38 through 41)	405,064	402,333	42
43			Income after fixed charge (line 37 minus line 42)	563,246	570,993	43
OTHER DEDUCTIONS						
44		(546)	Interest on funded debt:			
			(c) Contingent interest	-	-	44
UNUSUAL OR INFREQUENT ITEMS						
45		(555)	Unusual or infrequent items (debit) credit	-	-	45
46			Income (Loss) from continuing operations (before inc. taxes)	563,246	570,993	46
PROVISIONS FOR INCOME TAXES						
47	*	(556)	Income taxes on ordinary income:			
			(a) Federal income taxes	(93)	(1,784)	47
48	*		(b) State income taxes	(11,061)	4,077	48
49	*		(c) Other income taxes	-	-	49
50	*	(557)	Provision for deferred taxes	145,006	133,360	50
51			TOTAL PROVISIONS FOR INCOME TAXES (lines 47 through 50)	133,852	135,653	51
52			Income from continuing operations (line 46 minus line 51)	429,394	435,340	52
DISCONTINUED OPERATIONS						
53		(560)	Income or loss from operations of discontinued segments (less applicable income taxes of \$ -)	-	-	53
54		(562)	Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ -)	-	-	54
55			Income before extraordinary items (lines 52 through 54)	429,394	435,340	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES						
56		(570)	Extraordinary items (Net)	-	-	56
57		(590)	Income taxes on extraordinary items	-	-	57
58		(591)	Provision for deferred taxes - Extraordinary items	-	-	58
59			TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)	-	-	59
60		(592)	Cumulative effect of changes in accounting principles (less applicable income taxes of \$ -)	-	-	60
61	*		Net income (Loss) (lines 55 + 59 + 60)	429,394	435,340	61
62			Less: Net Income attributable to noncontrolling interest	-	-	62
63			Net Income attributable to reporting railroad	429,394	435,340	63
64			Basic Earnings Per Share	1,394,136.36	1,413,441.56	64
65			Diluted Earnings Per Share	1,394,136.36	1,413,441.56	65
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)						
66	*		Net revenues from railway operations	980,849	950,587	66
67	*	(556)	Income taxes on ordinary income (-)	(11,154)	2,293	67
68	*	(557)	Provision for deferred taxes (-)	145,006	133,360	68
69			Income from leased road and equipment (-)	-	-	69
70			Rent for leased road and equipment (+)	2,110	3,339	70
71			Net railway operating income (loss)	849,107	818,273	71
Note: Basic Earnings Per Share and Diluted Earnings Per Share presented on lines 64 and 65 are in full dollars and cents.						

210. RESULTS OF OPERATIONS

(Dollars in thousands)

1. Disclose requested information for the respondent pertaining to the results of operations for the year.
2. Report total operating expenses from Sched. 410. Any differences between this schedule and Sched. 410 must be explained on page 18.
3. List dividends from investments accounted for under the cost method on line No. 19, and list dividends accounted for under the equity method on line 25.
4. All contra entries hereunder should be indicated in parenthesis.

5. Cross-checks:

Schedule 210

Line 15, column (b)
Line 47, 48, 49 col (b)
Line 50, col (b)

Schedule 210

= Line 62, col (b)
= Line 63, col (b)
= Line 64, col (b)

Schedule 410

Line 14, column (b)
Line 14, column (d)
Line 14, column (e)

= Line 620, col (h)
= Line 620, col (f)
= Line 620, col (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	1,532,861	1,548,264	1,532,861	0	1
2		(102) Passenger	0	0	0	0	2
3		(103) Passenger-Related	0	0	0	0	3
4		(104) Switching	12,203	12,570	12,203	0	4
5		(105) Water Transfers	0	0	0	0	5
6		(106) Demurrage	32,336	30,140	32,336	0	6
7		(110) Incidental	3,327	2,767	3,327	0	7
8		(121) Joint Facility-Credit	0	0	0	0	8
9		(122) Joint Facility-Debit	0	0	0	0	9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	1,580,727	1,593,741	1,580,727	0	10
11		(502) Railway operating revenues-Transfers from Government Authorities	0	0	0	0	11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities	907	888	907	0	12
13		TOTAL RAILWAY OPERATING REVENUES (\$ less applicable tax of \$)	1,581,634	1,594,629	1,581,634	0	13
14		(531) Railway operating expenses	1,075,661	1,042,743	1,075,661	0	14
15		Net revenue from railway operations	505,973	551,886	505,973	0	15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	0	0			16
17		(510) Miscellaneous rent income	8,750	9,061			17
18		(512) Separately operated properties-Profit	0	0			18
19		(513) Dividend Income (cost method)	0	0			19
20		(514) Interest Income	9,577	8,958			20
21		(516) Income from sinking and other funds	0	0			21
22		(517) Release of premiums on funded debt	0	0			22
23		(518) Reimbursements received under contracts and agreements	0	0			23
24		(519) Miscellaneous income	1,049	27,041			24
25		Income from affiliated companies: 519					
26		a. Dividends (equity method)	9,800	6,860			25
27		b. Equity in undistributed earnings (losses)	2,681	4,719			26
27		TOTAL OTHER INCOME (lines 16-26)	31,857	56,639			27
28		TOTAL INCOME (lines 15, 27)	537,830	608,525			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	0	0			29
30		(544) Miscellaneous taxes	0	0			30
31		(545) Separately operated properties-loss	0	0			31
32		(549) Maintenance of investment organization	0	0			32
33		(550) Income Transferred under contracts and agreements	0	0			33
34		(551) Miscellaneous income charges	8,631	2,658			34
35		(553) Uncollectible accounts	0	0			35
36		TOTAL MISCELLANEOUS DEDUCTIONS	8,631	2,658			36
37		Income available for fixed charges	529,199	605,867			37

See additional notes to financial statements on pages 7-15

210. RESULTS OF OPERATIONS - Continued					
(Dollars in thousands)					
Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
38		(546) Interest on funded long-term debt:			
		(a) Fixed interest not in default	79,652	122,988	38
39		(b) Interest in default	0	0	39
40		(547) Interest on unfunded debt	20	17	40
41		(548) Amortization of discount on funded debt	0	0	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	79,672	123,005	42
43		Income after fixed charges (lines 37 minus line 42)	449,527	482,862	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt:			
		(c) Contingent interest	0	0	44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit	0	0	45
46		Income (loss) from continuing operations (before income taxes)	449,527	482,862	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47		(a) Federal income taxes	64,201	29,782	47
48		(b) State income taxes	19,605	16,571	48
49		(c) Other income taxes	0	1	49
50		(557) Provision for deferred taxes	16,142	57,575	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47 through 50)	99,948	103,929	51
52		Income from continuing operations (line 46 minus line 51)	349,579	378,933	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)	0	0	53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)	0	0	54
55		Income before extraordinary items (lines 52 through 54)	349,579	378,933	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (net)	0	0	56
57		(590) Income taxes on extraordinary items	0	0	57
58		(591) Provision for deferred taxes-Extraordinary items	0	0	58
59		TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)	0	0	59
60		(592) Cumulative effect of changes in accounting principles (\$ less applicable tax of \$)	0	0	60
61		Net income (loss) (lines 55 + 59 + 60)	349,579	378,933	61
62		Less: Net Income attributable to noncontrolling interest	0	0	62
63		Net income attributable to reporting railroad (lines 61 + 62)	349,579	378,933	63
64		Basic Earnings Per Share	166	180	64
65		Diluted Earnings Per Share	166	180	65
66		Reconciliation of net railway operating income (NROI)			
		Net revenues from railway operations	505,973	551,886	66
67		(556) Income taxes on ordinary income (-)	83,806	46,354	67
68		(557) Provision for deferred income taxes (-)	16,142	57,575	68
69		Income from lease of road and equipment (-)	0	0	69
70		Rent for leased roads and equipment (+)	83	75	70
71		Net railway operating income (loss)	406,108	448,032	71
See additional notes to financial statements on pages 7-15					

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose requested information for respondent pertaining to results of operations for the year.
2. Report total operating expenses from Sched. 410. Any differences between this schedule and Sched. 410 must be explained on page 23.
3. List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25.
4. All contra entries should be shown in parenthesis.

Cross-Checks

Schedule 210

Line 15, col b
 Lines 47,48,49 col b
 Line 50, col b

Schedule 210

= Line 66, col b
 = Line 67, col b
 = Line 68, col b

Line 14, col b
 Line 14, col d
 Line 14, col e

Schedule 410

= Line 620, col h
 = Line 620, col f
 = Line 620, col g

Line No.	Cross Check	Item	Amount for current year	Amount for preceding year	Freight-related revenue & expenses	Passenger-related revenue & expenses	Line No.
		(a)	(b)	(c)	(d)	(e)	
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	\$ 11,419,095	\$ 11,667,366	\$ 11,419,095	-	1
2		(102) Passenger	-	-	-	-	2
3		(103) Passenger-related	-	-	-	-	3
4		(104) Switching	(150,856)	(132,454)	(150,856)	-	4
5		(105) Water transfers	-	-	-	-	5
6		(106) Demurrage	220,742	246,763	220,742	-	6
7		(110) Incidental	123,493	151,885	123,493	-	7
8		(121) Joint facility - credit	-	-	-	-	8
9		(122) Joint facility - debit	-	-	-	-	9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	11,612,474	11,933,560	11,612,474	-	10
11		(502) Railway operating revenues - transfers from government authorities	-	-	-	-	11
12		(503) Railway operating revenues - amortization of deferred transfers from government authorities	-	-	-	-	12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	\$ 11,612,474	\$ 11,933,560	\$ 11,612,474	-	13
14	*	(531) Railway operating expenses	7,790,787	7,962,396	7,790,787	-	14
15	*	Net revenue from railway operations	\$ 3,821,687	\$ 3,971,164	\$ 3,821,687	-	15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	\$ -	\$ -			16
17		(510) Miscellaneous rent income	52,064	49,672			17
18		(512) Separately operated properties - profit	-	-			18
19		(513) Dividend income (cost method)	23,231	21,303			19
20		(514) Interest income	132,723	123,609			20
21		(516) Income from sinking and other funds	-	-			21
22		(517) Release of premiums on funded debt	5,617	5,605			22
23		(518) Reimbursements received under contracts and agreements	-	-			23
24		(519) Miscellaneous income	203,702	211,558			24
25		Income from affiliated companies: 519					
26		a. Dividends (equity method)	94,975	76,357			25
27		b. Equity in undistributed earnings (losses)	9,909	10,882			26
28		TOTAL OTHER INCOME (lines 16-26)	\$ 522,221	\$ 498,986			27
29		TOTAL INCOME (lines 15, 27)	\$ 4,343,908	\$ 4,470,150			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	2,515	1,551			29
30		(544) Miscellaneous taxes	-	-			30
31		(545) Separately operated properties-Loss	-	-			31
32		(549) Maintenance of investment organization	-	-			32
33		(550) Income transferred under contracts and agreements	-	-			33
34		(551) Miscellaneous income charges	7,108	72,387			34
35		(553) Uncollectible accounts	-	-			35
36		TOTAL MISCELLANEOUS DEDUCTIONS	\$ 9,623	\$ 73,938			36
37		Income available for fixed charges	\$ 4,334,285	\$ 4,396,212			37

210. RESULTS OF OPERATIONS - Continued (Dollars in Thousands)					
Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	\$ 50,536	\$ 41,677	38
39		(b) Interest in default	-	-	39
40		(547) Interest on unfunded debt	956	1,122	40
41		(548) Amortization of discount on funded debt	-	-	41
42		TOTAL FIXED CHARGES (lines 38 through 41)	\$ 51,492	\$ 42,799	42
43		Income after fixed charges (line 37 minus line 42)	\$ 4,282,793	\$ 4,353,413	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest	-	-	44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit	-	-	45
46		Income (Loss) from continuing operations (before inc. taxes)	\$ 4,282,793	\$ 4,353,413	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	\$ 623,173	\$ 616,314	47
48	*	(b) State income taxes	117,704	151,893	48
49	*	(c) Other income taxes	1,130	1,721	49
50	*	(557) Provision for deferred taxes	227,124	228,736	50
51		TOTAL PROVISION FOR INCOME TAXES (lines 47 through 50)	\$ 969,131	\$ 998,664	51
52		Income from continuing operations (line 46 minus line 51)	\$ 3,313,662	\$ 3,354,749	52
DISCONTINUED OPERATIONS					
		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$ 0)	-	-	
53			-	-	53
		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$ 0)	-	-	
54			-	-	54
55		Income before extraordinary items (lines 52 through 54)	\$ 3,313,662	\$ 3,354,749	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)	-	-	56
57		(590) Income taxes on extraordinary items	-	-	57
58		(591) Provision for deferred taxes - Extraordinary items	-	-	58
59		TOTAL EXTRAORDINARY ITEMS (lines 56 through 58)	-	-	59
		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$ 0)	-	-	
60			-	-	60
61	*	Net income (Loss) (lines 55 + 59 + 60)	\$ 3,313,662	\$ 3,354,749	61
62		Less: Net Income attributable to noncontrolling interest	23	25	62
63		Net Income attributable to reporting railroad	3,313,639	3,354,724	63
64		Basic Earnings Per Share (See Note 2 below)	\$ 365.70	\$ 370.24	64
65		Diluted Earnings Per Share (See Note 2 below)	\$ 365.70	\$ 370.24	65
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
66	*	Net revenues from railway operations	\$ 3,821,687	\$ 3,971,164	66
67	*	(556) Income taxes on ordinary income (-)	(742,007)	(769,928)	67
68	*	(557) Provision for deferred income taxes (-)	(227,124)	(228,736)	68
69		Income from lease of road and equipment (-)	(48,624)	(49,105)	69
70		Rent for leased roads and equipment (+)	33,925	16,065	70
71		Net railway operating income (loss)	\$ 2,837,857	\$ 2,939,460	71
Notes and Remarks For Schedule 210					
Note 1: Basic and diluted earnings per share in lines 64 and 65, respectively, are based on the number of CSXT shares outstanding, which are all held by CSX Corporation. The number of CSXT shares is not equivalent to the weighted-average number of shares of common stock outstanding used to calculate earnings per share related to the consolidated results of CSX Corporation.					

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose the requested information for the respondent pertaining to the results of operations for the year.

2. Report total operating expenses from Schedule 410 of this report. Any disparities in expense amounts shown in this schedule and expense amounts reported in Schedule 410 must be fully explained on page 18.

3. List dividends from investments accounted for under the cost method on the appropriate line No. 19 for Account No. 513. "Dividend Income." List dividends accounted for by the equity method on the appropriate dividend line No. 25 under the "Income from Affiliated Companies" subsection of this schedule.

4. All contra entries hereunder should be indicated in parentheses.

5. Cross checks:

Schedule 210

Line 15, column (b)

Line 47 plus 48 plus 49, column (b)

Line 50, column (b)

Line 14, column (b)

Line 14, column (d)

Line 14, column (e)

Schedule 210

= Line 66, column (b)

= Line 67, column (b)

= Line 68, column (b)

Schedule 410

= Line 620, column (h)

= Line 620, column (f)

= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	1,388,865	1,328,383	1,388,865	NONE	1
2		(102) Passenger	-	-	-		2
3		(103) Passenger-Related	-	-	-		3
4		(104) Switching	19,410	17,521	19,410		4
5		(105) Water Transfers	-	-	-		5
6		(106) Demurrage	37,597	29,304	37,597		6
7		(110) Incidental	36,626	36,892	36,626		7
8		(121) Joint Facility - Credit	-	-	-		8
9		(122) Joint Facility - Debit	-	-	-		9
10		(501) Railway Operating Revenues (Exclusive of Transfers from Government Authorities - Lines 1-9)	1,482,498	1,412,100	1,482,498		10
11		(502) Railway Operating Revenues - Transfers from Government Authorities for Current Operations	-	-	-		11
12		(503) Railway Operating Revenues - Amortization of Deferred Transfers from Government Authorities	2,323	2,144	2,323		12
13		TOTAL RAILWAY OPERATING REVENUES (Lines 10-12)	1,484,821	1,414,244	1,484,821		13
14		(531) Railway Operating Expenses	1,147,854	975,847	1,147,854		14
15		Net Revenue from Railway Operations	336,967	438,397	336,967		15
		OTHER INCOME					
16		(506) Revenue from Property Used in Other Than Carrier Operations	27	12			16
17		(510) Miscellaneous Rent Income	-	-			17
18		(512) Separately Operated Properties - Profit	-	-			18
19		(513) Dividend Income (Cost Method)	4	8			19
20		(514) Interest Income	47	752			20
21		(516) Income from Sinking and Other Funds	-	-			21
22		(517) Release of Premiums on Funded Debt	-	-			22
23		(518) Reimbursements Received under Contracts and Agreements	-	-			23
24		(519) Miscellaneous Income	806	1,539			24
25		Income from Affiliated Companies: 519					
26		a. Dividends (Equity Method)	-	-			25
27		b. Equity in Undistributed Earnings (Losses)	1,498	1,879			26
28		TOTAL OTHER INCOME (Lines 16-26)	2,382	4,190			27
29		TOTAL INCOME (Lines 15, 27)	339,349	442,587			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of Property Used in Other Than Carrier Operations	-	-			29
30		(544) Miscellaneous Taxes	-	-			30
31		(545) Separately Operated Properties - Loss	-	-			31
32		(549) Maintenance of Investment Organization	-	-			32
33		(550) Income Transferred under Contracts and Agreements	-	-			33
34		(551) Miscellaneous Income Charges	2,266	1,624			34
35		(553) Uncollectible Accounts	-	-			35
36		TOTAL MISCELLANEOUS DEDUCTIONS (Lines 29-35)	2,266	1,624			36
37		Income Available for Fixed Charges (Lines 28, 36)	337,083	440,963			37

210. RESULTS OF OPERATIONS - Concluded
(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
38		(546) Interest on Funded Debt: (a) Fixed Interest Not in Default	86,048	79,115	38
39		(b) Interest in Default	-	-	39
40		(547) Interest on Unfunded Debt	4	3	40
41		(548) Amortization of Discount on Funded Debt	526	373	41
42		TOTAL FIXED CHARGES (Lines 38-41)	86,578	79,491	42
43		Income after Fixed Charges (Lines 37, 42)	250,505	361,472	43
OTHER DEDUCTIONS					
44		(546) Interest on Funded Debt: (c) Contingent Interest	-	-	44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or Infrequent Items (Debit) Credit	-	-	45
46		Income (Loss) from Continuing Operations (before Income Taxes)	250,505	361,472	46
PROVISIONS FOR INCOME TAXES					
47		(556) Income Taxes on Ordinary Income: (a) Federal Income Taxes	13,469	(12,595)	47
48		(b) State Income Taxes	1,627	567	48
49		(c) Other Income Taxes	2,455	4,451	49
50		(557) Provision for Deferred Taxes	36,350	82,831	50
51		TOTAL PROVISIONS FOR INCOME TAXES (Lines 47-50)	53,901	75,254	51
52		Income from Continuing Operations (Line 46 minus Line 51)	196,604	286,218	52
DISCONTINUED OPERATIONS					
53		(560) Income or Loss from Operations of Discontinued Segments (Less Applicable Income Taxes of \$ -)	-	-	53
54		(562) Gain or Loss on Disposal of Discontinued Segments (Less Applicable Tax of \$ -)	-	-	54
55		Income before Extraordinary Items (Lines 52 + 53 + 54)	196,604	286,218	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary Items (net)	-	-	56
57		(590) Income Taxes on Extraordinary Items	-	-	57
58		(591) Provision for Deferred Taxes - Extraordinary Items	-	-	58
59		TOTAL EXTRAORDINARY ITEMS (Lines 56-58)	-	-	59
60		(592) Cumulative Effect of Changes in Accounting Principles (Less Applicable Tax of \$ -)	-	-	60
61		Net Income (Loss) (Lines 55 + 59 + 60)	196,604	286,218	61
62		Less: Net Income attributable to noncontrolling interest	1,929	2,010	62
63		Net Income attributable to reporting railroad	194,675	284,208	63
64		Basic Earnings Per Share	19.78	28.88	64
65		Diluted Earnings Per Share	19.78	28.88	65
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
66		Net Revenues from Railway Operations	336,967	438,397	66
67		(556) Income Taxes on Ordinary Income (-)	17,551	(7,577)	67
68		(557) Provision for Deferred Taxes (-)	36,350	82,831	68
69		Income from Lease of Road and Equipment (-)	-	-	69
70		Rent for Leased Roads and Equipment (+)	52	84	70
71		Net Railway Operating Income (Loss)	283,118	363,227	71

Note: Line 49 includes current foreign withholding income taxes.

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1. Disclose requested information for respondent pertaining to results of operations for the year.

2. Report total operating expenses from Schedule 410. Any differences between this schedule and Schedule 410 must be explained on page 18.

3. List dividends from investments accounted for under the cost method on line No. 19 and list dividends accounted for under the equity method on line 25.

4. All contra entries should be shown in parenthesis

5. Cross-checks

Schedule 210

Line 15, column (b)

Line 47 plus 48 plus 49, column (b)

Line 50, column (b)

Line 14, column (b)

Line 14, column (d)

Line 14, column (e)

Schedule 210

= Line 66, column (b)

= Line 67, column (b)

= Line 68, column (b)

Schedule 410

= Line 620, column (h)

= Line 620, column (f)

= Line 620, column (g)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue & expenses (d)	Passenger-related revenue & expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	10,861,139	11,066,135	10,861,139		1
2		(102) Passenger					2
3		(103) Passenger-Related					3
4		(104) Switching	65,532	55,901	65,532		4
5		(105) Water Transfers					5
6		(106) Demurrage	281,332	243,621	281,332		6
7		(110) Incidental	88,061	92,056	88,061		7
8		(121) Joint Facility-Credit (Debit)					8
9		(122) Joint Facility-Debit (Credit)					9
10		(501) Railway operating revenues (Exclusive of transfers from Government Authorities-lines 1-9)	11,296,064	11,457,713	11,296,064		10
11		(502) Railway operating revenues-Transfers from Government Authorities for current operations					11
12		(503) Railway operating revenues-Amortization of deferred transfers from Government Authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	11,296,064	11,457,713	11,296,064		13
14	*	(531) Railway operating expenses	7,779,013	8,063,981	7,779,013		14
15	*	Net revenue from railway operations	3,517,051	3,393,732	3,517,051		15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	4,698	6,138			16
17		(510) Miscellaneous rent income	88,361	82,679			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend Income (cost method)					19
20		(514) Interest Income	377,343	309,423			20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt					22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	62,282	155,921			24
		Income from affiliated companies: 519					
25		a. Dividends (equity method)					25
26		b. Equity in undistributed earnings (losses)	6	6			26
27		TOTAL OTHER INCOME (lines 16-26)	532,690	554,167			27
28		TOTAL INCOME (lines 15, 27)	4,049,741	3,947,899			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	23,456	22,184			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	(28,443)	(28,316)			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS (lines 29-35)	(4,987)	(6,132)			36
37		Income available for fixed charges (lines 28, 36)	4,054,728	3,954,031			37

210. RESULTS OF OPERATIONS - Continued

(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
		(546) Interest on funded debt:			
38		(a) Fixed interest not in default	335,125	269,029	38
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	58,110	54,977	40
41		(548) Amortization of discount on funded debt			41
42		TOTAL FIXED CHARGES (lines 38-41)	393,235	324,006	42
43		Income after fixed charges (line 37 minus line 42)	3,661,493	3,630,025	43
OTHER DEDUCTIONS					
		(546) Interest on funded debt:			
44		(c) Contingent interest			44
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	3,661,493	3,630,025	46
PROVISIONS FOR INCOME TAXES					
		(556) Income taxes on ordinary income:			
47	*	(a) Federal income taxes	451,682	533,909	47
48	*	(b) State income taxes	82,309	124,360	48
49	*	(c) Other income taxes			49
50	*	(557) Provision for deferred taxes	309,765	199,088	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-50)	843,756	857,357	51
52		Income from continuing operations (line 46 minus line 51)	2,817,737	2,772,668	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$)			54
55		Income before extraordinary items (lines 52+53+54)	2,817,737	2,772,668	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes-Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable tax of \$)			60
61	*	Net income (Loss) (lines 55+59+60)	2,817,737	2,772,668	61
62		Less: Net Income attributable to noncontrolling interest			62
63		Net Income attributable to reporting railroad	2,817,737	2,772,668	63
64		Basic Earnings Per Share	169.04	166.34	64
65		Diluted Earnings Per Share	169.04	166.34	65
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
66	*	Net revenues from railway operations	3,517,051	3,393,732	66
67	*	(556) Income taxes on ordinary income (-)	(533,991)	(658,269)	67
68	*	(557) Provision for deferred income taxes (-)	(309,765)	(199,088)	68
69		Income from lease of road and equipment (-)	(10,234)	(10,286)	69
70		Rent for leased roads and equipment (+)	25,270	24,713	70
71		Net railway operating income (loss)	2,688,331	2,550,802	71

210. RESULTS OF OPERATIONS

(Dollars in Thousands)

1 Disclose the requested information for respondent pertaining to results of operations for the year.

Cross-checks

2 Report total operating expenses from Schedule 410. Any differences between this schedule and Schedule 410 must be explained on page 18.

Schedule 210

Line 15, col b

Lines 47,48,49 col b

Line 50, col b

Schedule 210

= Line 65, col b

= Line 66, col b

= Line 67, col b

3 List dividends from investments accounted for under the cost method on line 19, and list dividends accounted for under the equity method on line 25.

Schedule 410

Line 14, col b

= Line 620, col h

4 All contra entries should be shown in parenthesis.

Line 14, col d

= Line 620, col f

Line 14, col e

= Line 620, col g

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Freight-related revenue and expenses (d)	Passenger-related revenue and expenses (e)	Line No.
		ORDINARY ITEMS					
		OPERATING INCOME					
		Railway Operating Income					
1		(101) Freight	20,242,753	21,383,917	20,242,753		1
2		(102) Passenger	136,901	133,206		136,901	2
3		(103) Passenger-Related	725	702		725	3
4		(104) Switching	184,139	173,316	184,139		4
5		(105) Water Transfers	26,756	23,660	26,756		5
6		(106) Demurrage	161,837	149,063	161,837		6
7		(110) Incidental	850,164	870,037	850,164		7
8		(121) Joint Facility-Credit	16,364	14,970	16,364		8
9		(122) Joint Facility-Debit					9
10		(501) Railway operating revenues (Exclusive of transfers from government authorities-lines 1-9)	21,619,639	22,748,871	21,482,013	137,626	10
11		(502) Railway operating revenues-transfers from government authorities	88,159	82,548		88,159	11
12		(503) Railway operating revenues-amortization of deferred transfers from government authorities					12
13		TOTAL RAILWAY OPERATING REVENUES (lines 10-12)	21,707,798	22,831,419	21,482,013	225,785	13
14	*	(531) Railway operating expenses	13,342,573	14,499,095	13,120,384	222,189	14
15	*	Net revenue from railway operations	8,365,225	8,332,324	8,361,629	3,596	15
		OTHER INCOME					
16		(506) Revenue from property used in other than carrier operations	27,333	25,845			16
17		(510) Miscellaneous rent income	134,262	123,736			17
18		(512) Separately operated properties-Profit					18
19		(513) Dividend income (cost method)	219	438			19
20		(514) Interest income	38,580	393,311			20
21		(516) Income from sinking and other funds					21
22		(517) Release of premiums on funded debt	0	0			22
23		(518) Reimbursements received under contracts and agreements					23
24		(519) Miscellaneous income	34,750	45,647			24
25		Income from affiliated companies: 519					
		a. Dividends (equity method)	101,770	96,093			25
26		b. Equity in undistributed earnings (losses)	114,487	138,789			26
27		TOTAL OTHER INCOME (lines 16-26)	451,401	823,859			27
28		TOTAL INCOME (lines 15, 27)	8,816,626	9,156,183			28
		MISCELLANEOUS DEDUCTIONS FROM INCOME					
29		(534) Expenses of property used in other than carrier operations	15,186	13,850			29
30		(544) Miscellaneous taxes					30
31		(545) Separately operated properties-Loss					31
32		(549) Maintenance of investment organization					32
33		(550) Income transferred under contracts and agreements					33
34		(551) Miscellaneous income charges	2,244	122,038			34
35		(553) Uncollectible accounts					35
36		TOTAL MISCELLANEOUS DEDUCTIONS	17,430	135,888			36
37		Income available for fixed charges	8,799,196	9,020,295			37

210. RESULTS OF OPERATIONS - (Concluded)

(Dollars in Thousands)

Line No.	Cross Check	Item (a)	Amount for current year (b)	Amount for preceding year (c)	Line No.
FIXED CHARGES					
38		(546) Interest on funded debt:			38
		(a) Fixed interest not in default	57,940	78,069	
39		(b) Interest in default			39
40		(547) Interest on unfunded debt	126,923		40
41		(548) Amortization of discount on funded debt	1,291	2,086	41
42		TOTAL FIXED CHARGES (lines 38-41)	186,154	80,155	42
43		Income after fixed charges (line 37 minus line 42)	8,613,042	8,940,140	43
OTHER DEDUCTIONS					
44		(546) Interest on funded debt:			44
		(c) Contingent interest	0	1,460	
UNUSUAL OR INFREQUENT ITEMS					
45		(555) Unusual or infrequent items (debit) credit			45
46		Income (Loss) from continuing operations (before income taxes)	8,613,042	8,938,680	46
PROVISIONS FOR INCOME TAXES					
47	*	(556) Income taxes on ordinary income:			47
		(a) Federal income taxes	1,245,701	1,377,782	
48	*	(b) State income taxes	307,225	338,608	48
49	*	(c) Other income taxes	(98,889)	(2,718)	49
50	*	(557) Provision for deferred taxes	585,048	350,406	50
51		TOTAL PROVISIONS FOR INCOME TAXES (lines 47-52)	2,039,085	2,064,078	51
52		Income from continuing operations (line 46 minus line 51)	6,573,957	6,874,602	52
DISCONTINUED OPERATIONS					
53		(560) Income or loss from operations of discontinued segments (less applicable income taxes of \$_____)			53
54		(562) Gain or loss on disposal of discontinued segments (less applicable income taxes of \$_____)			54
55		Income before extraordinary items (lines 52 - 54)	6,573,957	6,874,602	55
EXTRAORDINARY ITEMS AND ACCOUNTING CHANGES					
56		(570) Extraordinary items (Net)			56
57		(590) Income taxes on extraordinary items			57
58		(591) Provision for deferred taxes - Extraordinary items			58
59		TOTAL EXTRAORDINARY ITEMS (lines 56-58)			59
60		(592) Cumulative effect of changes in accounting principles (less applicable income taxes of \$_____)			60
61	*	Net income (Loss) (Lines 55 + 59 + 60)	6,573,957	6,874,602	61
62		Less: Net Income attributable to noncontrolling interest			62
63		Net Income attributable to reporting railroad	6,573,957	6,874,602	63
64		Basic Earnings Per Share	N/A	N/A	64
65		Diluted Earnings Per Share	N/A	N/A	65
RECONCILIATION OF NET RAILWAY OPERATING INCOME (NROI)					
66	*	Net revenues from railway operations	8,365,225	8,332,324	66
67	*	(556) Income taxes on ordinary income (-)	(1,454,037)	(1,713,672)	67
68	*	(557) Provision for deferred income taxes (-)	(585,048)	(350,406)	68
69		Income from lease of road and equipment (-)			69
70		Rent for leased roads and equipment (+)			70
71		Net railway operating income (loss)	6,326,140	6,268,246	71

Note: Line 49 reflects current foreign income taxes and unrecognized tax benefits expense.

All stock is owned by the parent company Union Pacific Corporation. Please reference schedule "C" for details.